

DATE: August 20, 2018
TO: Locey, Mary
COMPANY: City of Newport Beach
ADDRESS: 100 Civic Center Drive
CITY/STATE: Newport Beach, CA
COPY TO: Crager, Chelsea, Zdeba, Benjamin, Turoff, Steffen
FROM: Schleck, Tania
PROJECT NAME: Corona del Mar Parking Study
PROJECT NUMBER: 37-8762.00

PROJECT BACKGROUND

The City of Newport Beach (“City”) engaged Walker Consultants (“Walker”) to conduct a study in the City’s Corona Del Mar (“CdM”) commercial district (“the district”) to provide data, analysis and recommendations to address parking issues in the district. There are portions of the area that experience shortages of available parking, areas with underutilized parking (parking spaces sit empty much or all of the time), and issues of spillover parking into residential neighborhoods.

Based on discussions with the City’s Business Improvement District (“BID”) Parking Subcommittee (“the Subcommittee”), Walker understands that existing parking requirements have at times been an impediment to attracting new businesses to the CdM District. The primary goal of the study is to determine the feasibility and potential impacts of reducing the minimum parking requirements in the CdM District.

In support of the above described goal, Walker completed the following tasks within the CdM district:

- Quantified current commercial parking demand (on-street and off-street);
- Identified locations of “hot spots” of high on-street demand;
- Identified locations of off-street parking available; and
- Compared City Code required parking to observed demand.

From this analysis, Walker made the following conclusions:

- The current commercial parking supply in the CdM district appears to have sufficient capacity to accommodate observed commercial demand.
- The estimated blended parking ratio for commercial uses is lower than current City Code requirements for commercial uses in the area.
- Available parking spaces were observed in off-street parking facilities.
- Commercial demand in residential areas was observed.

Walker presented the above described analysis and conclusions to the Subcommittee March 13, 2018.

PURPOSE OF THIS MEMORANDUM

Based on the findings and conclusions presented in the March 13th meeting, the City and Subcommittee have requested that Walker provide input on three proposed strategies to mitigate the parking concerns in the CdM district:

1. Increase the parking time limit on Coast Highway, and on side streets from one-hour to two hours
2. Incorporate underutilized private parking supply in the public parking supply
3. Lower parking requirements in the CdM district

The following sections describe each strategy, provide the advantages and key considerations of each, and Walker's recommendation.

EXTENDING TIME LIMITS ON COAST HIGHWAY AND SIDE STREETS

At the recommendation of the Committee, the City is considering increasing the time limits of the on-street commercial spaces in the CdM district from one hour to two hours.

Advantages:

- Data from both our 2018 and 2009 analyses demonstrated underutilization of on-street parking spaces along Coast Highway. Increasing the time limit in these locations is likely to increase the utilization of otherwise unoccupied spaces.
- There are a variety of land uses in the CdM district that typically have a longer length of stay, such as nail salons, beauty salons, or restaurants. Increasing the time limit of the on-street parking on Coast Highway will help improve the public's access to these land uses, and may improve economic development in the district.
- Furthermore, if parkers can park on Coast Highway for a longer duration of time, there may be less spillover onto residential streets.

Key Considerations:

- Longer time limits at times may lead to the "abuse" of parking intended for visitors by employees who frequently move their cars to parking in more convenient spaces. Sufficient parking enforcement is recommended to minimize this behavior.
- The Coastal Zone boundary runs through the middle of Coast Highway. Therefore, the southern portion of Coast Highway (and side streets) is within the Coastal Zone, and subject to California Coastal Commission regulations ("CCC"). Therefore, changing the time restrictions on the south side of Coast Highway may require the City to go through the CCC review process to change parking time limits, which can be time intensive and require extensive City staff time and resources.

Recommendation:

Walker recommends that the City increase the time limits on Coast Highway, and sides streets, from one hour to two hours. For consistency and ease of understanding on the part of the public, it is likely reasonable to do so along Coast Highway in the entire district.

INCORPORATE UNDERUTILIZED PRIVATE PARKING LOTS INTO THE PUBLIC PARKING SUPPLY

The second strategy that Walker evaluated was the implementation of a program to incorporate the underutilized private parking supply for public use.

As mentioned in the “Project Background” section of this memo, Walker observed availability in off-street parking spaces. During field work, Walker observed that there were 586± total off-street spaces available, including both public and private spaces. While at times, constructing new public parking is discussed as a solution to the lack of available public parking, aside from the enormous cost, a public parking facility tends to serve a limited area, whereas available private parking spaces tend to be distributed, and able to serve, a broader area of the district.

In order to better utilize the current off-street parking, the District would benefit from the use of underutilized privately-owned parking spaces including the formalization of a parking agreement with owners of private parking spaces to make their parking spaces more widely available. These spaces could be made available to CdM district employees through:

- The sharing and leasing of private spaces owned by businesses during low demand periods for the individual private parking facilities;
- The leasing of private parking spaces by the City directly for CdM district employees;
- Including some private spaces in the public supply through a public parking signage, marketing and branding program; and
- Encouragement of a “market” for private parking spaces by:
 - Establishing a forum to communicate, educate, and establish a dialog with private owners
 - Creating an online comprehensive list of parking facilities
 - Leveraging technology
 - “Branding” of a parking program for all public and private spaces.

The City of San Clemente provides a model program by which private parking spaces can be incorporated into the public parking supply. Additional information about San Clemente’s program can be found in the Attachment to this memorandum.

Advantages:

- Long term parkers, such as employees, would have an alternative to parking in the most popular locations in the CdM district, thereby making on-street and other public parking in commercial areas more accessible to visitors
- If more CdM district employees park in off-street spaces, there would likely be less spillover on residential areas.
- Existing parking resources would be better managed.

Key Considerations:

- Management of a parking lot lease program requires extensive City staff time to not only conduct the initial outreach to businesses, but also to maintain the operation of the program.

- The program may require specific language within the zoning code to allow for the sharing of private spaces
- The City would need to allocate financial resources to paying the rental rate for the parking facilities, and to maintain the parking facilities.
- Compared to constructing public parking spaces, the sharing of private parking spaces is far more cost effective and efficient, devoting more land in the commercial district to businesses and other productive uses and less land to asphalt, which does not provide a destination in and of itself.

As a first step, Walker recommends that the City evaluate whether the staff and resources are available to implement a program similar to the one described above, or whether those staff and resources can be identified and put in place. Walker recommends that at least one full-time staff member be allocated to implementing and managing the program. Once the program is in place and operating, slightly less staff time may be required on an ongoing basis. The City should consider implementing a pilot program in one or two private lots to make underutilized private spaces available for employees in the CdM district. If the pilot program is successful, the City should consider expanding it to the entire CdM district.

CHANGING CURRENT CITY CODE REQUIREMENTS IN THE CDM DISTRICT

As discussed in the March 13th Subcommittee meeting, Walker quantified commercial demand in the CdM district through field work conducted Thursday February 8, 2018 and Saturday February 10, 2018.

Figure 1, below, summarizes observed commercial parking demand for each of the time periods, with the period of peak demand highlighted in yellow. The figure compares the current commercial parking supply (both on-street and off-street) to observed commercial parking demand. As shown in the figure, during all four periods of analysis, the commercial supply was adequate to accommodate observed demand.

The “Potential Parking Demand” in the figure demonstrates observed demand increased by 20% to account for the fact that February tends to have lower parking demand than the summer in coastal commercial districts.¹ The potential blended parking ratio for the CdM district during the period of peak observed parking demand is 3.05 is per thousand square feet of commercial floor area (ksf). The surprisingly low parking ratio is likely in part the result of the sharing of on-street and other public parking between businesses that experience peaks in parking demand at different hours.

¹ A 20% increase was made based on monthly factors recommended in the Walker/ULI Shared Parking Model.

Figure 1: Estimated Commercial Parking Ratio

	THURSDAY		SATURDAY	
	12:00 PM	7:00 PM	12:00 PM	7:00 PM
Observed Commercial Parking Supply	1,759	1,759	1,759	1,759
Estimated Commercial GSF	594,495	594,495	594,495	594,495
Observed Commercial Parking Demand	1,508	1,005	1,513	1,120
Estimated Parking Ratio (per ksf)	2.54	1.69	2.55	1.88
Potential Parking Demand (20% increase)	1,810	1,206	1,816	1,344
Potential Parking Ratio (per ksf)	3.04	2.03	3.05	2.26

*Estimated Commercial GSF provided by City of Newport Beach City Staff.

Source: Walker Consultants, 2018

Walker compared this blended parking ratio for the district to the parking requirements per the Newport Beach City Code. Figure 2, below, summarizes the parking requirements for the land uses within the CdM district area. As shown in the figure, current requirements range from 3.3 per ksf to 12.5 per ksf, which are higher than the projected blended commercial parking ratio described above.

Figure 2: City of Newport Beach City Code Requirements

	Code Rqm't (per ksf), unless otherwise noted
Community Shopping Center (<400 ksf)	4.5
Supermarket	5.0
Home Improvement Stores/Garden	3.3
Fine/Casual Dining	1-30-50 sf net public area
Family Restaurant	1-30-50 sf net public area
Fast Casual/Fast Food	1 per 50sf
Museum/Aquarium	3.3
Health Club	4.5
Office <25,000sq ft	4.0
Medical/Dental Office	5.0
Bank (Drive In Branch)	4.0
Beauty Salons	4.0
Nail Salons	12.5

Source: Walker Consultants, City of Newport Beach, 2018

Advantages:

- The above described analysis demonstrates that the City's current parking requirements are higher than the estimated commercial parking ratio in the CdM district, and that commercial parking supply exceeds observed demand. These findings show that there is an opportunity to lower parking requirements in the CdM district, possibly creating a district wide, blended parking requirement.
- Lowering the parking requirements in the district may decrease the barriers to entry for new businesses in the district.
- Lowering parking requirements would reduce the overbuilding of parking, and encourage a more pedestrian-friendly environment in the district.

Disadvantages:

- Changing the parking requirements in the CdM district would require extensive City staff time to coordinate the process.
- Adjusting requirements would require an amendment to the local coastal plan and review by the CCC, which can be a time and resource intensive process
- Given the spillover observed of commercial demand onto adjacent residential streets, the lowering of requirements would ideally be coupled with implementing a residential parking permit program. In Walker's experience, implementing a permit program with the Coastal Zone can be a difficult process, as permits can be seen as restricting public access to the coast. However, there are cases to be made that parking in residential and commercial areas near the coast tend not to be used by visitors seeking to access the coast.

Recommendation:

Walker recommends that the City first evaluate whether there are sufficient staff resources to lead the process of lowering parking requirements in the CdM district. If so, Walker recommends that a blended parking requirement be applied to all of the commercial uses within CdM district, rather applying parking requirements on a use by use basis. Adjusting the parking requirements should be coupled with implementation of a residential parking permit program to mitigate spillover of parking onto residential streets. A public outreach process should be conducted which includes representatives from the business community and residents.

SAN CLEMENTE PRIVATE PARKING LOT LEASE PROGRAM¹

Downtown San Clemente is a popular destination frequented by both residents and visitors. The core of San Clemente's downtown experiences parking shortages at peak times. When the City studied the parking supply it was found that although the public parking lots were at or near capacity there was a surplus of 400 spaces in the private parking lots. Rather than constructing new parking resources, which is expensive, San Clemente has developed the Parking Lot Lease Program ("the program"). The cost is equivalent to maintaining a parking structure without the capital costs for the purchase of land and improvements. Put simply, the program opens the surplus parking in private lots by converting underutilized private parking lots to public lots, thereby increasing their usage and available parking downtown.

The program came about as a result of complaints by downtown merchants that there was not an adequate supply of parking in the downtown area. To understand parking dynamics in the downtown, San Clemente hired Walker Parking Consultants in 2002 to develop a parking study and survey that analyzed parking supply and demand. The survey was conducted during the mid-summer, the peak parking demand period for this beachside community. The analysis concluded that the public parking spaces were heavily utilized while the private parking spaces, although in convenient locations, were not heavily utilized. The private parking lots were averaging 50% capacity utilization during peak demand periods. At the same time the public parking resources (public lots and public street parking) were nearly 100% utilized.

Walker and the City realized that the perceived deficiency of parking in downtown was actually a lack of available and convenient *public* parking, rather than a critical shortage of parking overall. Walker recommended that the City increase its effective supply of parking, and the perception of available parking, by making the underutilized private parking lots open to the public. It was understood that 100% conversion of private lots was not necessary. Rather, the conversion of several key private lots to public close to the downtown core was the goal.

The challenge in leasing the private lots was to persuade property owners of the benefits of leasing their private parking lots. The City was able to identify several strong incentives that property owners wanted. Executed leases often included the following terms (refer to attachment 5 for sample lease):

- Rental rate of approximately \$350.00/month/10 spaces; and
- City funded parking lot improvements including slurry seal and restriping; and
- City maintenance of parking lots; and
- City parking enforcement (which owners are reluctant to do because they do not want to offend their customers); and
- City hold harmless and indemnify private property owners from liability resulting from public use; and
- Wayfinding signage identifying the private lots as public lots; and
- Lease term of 1-year with automatic 30-day renewal thereafter (short term leases are more appealing to property owners who are considering future development of their property).

The terms of the lease proved to be enticing to private parking lot owners. Since the adoption of the program in 2003, nine property owners have participated in the program for an increase of 120 public spaces to the previously pool of 803 public parking spaces in the downtown, resulting in a 15% increase in the effective supply of public parking. Recent Walker studies (2006, 2008 and 2010), confirm that the privately-owned lots that have been converted to public lots are now more effectively utilized (averaging 80% utilization).

¹ The information contained in this Appendix is a summary of the City of San Clemente's private parking lot lease program, as submitted in 2012 by the City as a nomination for an American Planning Association, Orange County section, Award for Outstanding Planning Implementation. The program was the recipient of the award.

This program demonstrates how downtowns can increase their effective supply of public parking without a large commitment of public dollars. This program is unique because rather than increasing the overall parking supply by way of physical construction, better management of parking resources is employed by making better use of private parking supply by converting private lots to public use. The program can be successfully implemented in other communities that have an underutilized private parking supply. All it takes is some City initiative in opening private parking lots for public use and then trusting in the ability of smart entrepreneurial property owners to see the benefits of the program.