

Agenda Report

October 16, 2017

TO: Honorable Mayor and City Council
FROM: Office of the City Manager
SUBJECT: UPDATE ON EFFORTS TO ESTABLISH NEW PARK SPACE IN UNDERSERVED AREAS

RECOMMENDATION:

It is recommended that the City Council direct staff to undertake the community outreach efforts outlined in the Background section of this report regarding the potential establishment of a park at the City-owned parking lot at 100 N. El Molino Avenue or 50 S. Madison Avenue, and return to City Council with a report on the results of the outreach and a staff recommendation.

BACKGROUND:

The City of Pasadena has 23 parks, totaling more than one thousand acres of parkland. Nevertheless, in certain areas of the City, particularly the central core where most new residential development has been built, many residents do not have walkable access (i.e., within $\frac{1}{2}$ mile) to parkland. Attachment A illustrates this point.

In recent years, the effort to develop additional parkland focused mainly on the use of surplus City property. Unfortunately, most of these parcels are substandard remnants ill-suited for development even as small pocket parks. In late 2016, staff broadened its approach to consider non-city property and has since held discussions with several private and institutional property owners regarding the potential for park development. Given the economic realities of Pasadena's high property values and demand, however, it is not surprising that this process has yet to yield any tangible results. Nevertheless, staff continues to discuss with developers options for the creation of new park space as projects come through the development pipeline.

One option which appears potentially viable is the conversion of a portion of one of the two City-owned parking lots in the Playhouse District. These lots are located at the northeast corner of Union Street and El Molino Avenue and at 50 S. Madison Avenue, just north of Green Street. Each of these locations fall within under-parked 'gap' areas, were previously considered for park projects in association with construction of underground parking lots prior to the dissolution of Redevelopment, and could allow for

the development of park amenities such as play equipment, picnic areas and flexible space for events.

Both the El Molino and Madison lots provide parking for uses within the Playhouse District and are partially used to satisfy parking entitlements for activities in the area. Consequently, staff has operated under the assumption that any new park project at either of these locations should not come at the overall net loss of parking spaces within the Playhouse District and that the parking requirements for existing entitlements would need to be provided for nearby. It was in this spirit that staff participated in several meetings that included Playhouse District Association members and nearby stakeholders with Councilmember Wilson serving as host/convener. Over the course of several months the group met to discuss possible park development in the Playhouse District and the related issue of parking. Overall, the meetings were productive and a good opportunity to share concepts and ideas. For example, the idea of creating a park on a portion of Oakland Avenue between Union Street and Colorado Boulevard was discussed and met with some level of interest. The effort has reached a point where it is appropriate to provide an update to the City Council and seek direction on the recommended next steps.

Staff is recommending that the City Council consider converting either a portion of the El Molino lot or a portion of the Madison lot into a park, through the conversion of perhaps half of the existing parking spaces. Both the El Molino lot and the Madison lot have 101 spaces. Funding for the conversion would be accomplished through the use of Residential Impact Fees (RIF) to purchase the property from the City's Parking Fund. Currently there is approximately \$8.6 million of RIF funds for this central zone of the City. The appraised values of the subject City lots are \$4.3 million for the Madison lot and \$5.0 Million for the El Molino lot.

As discussed above, each of these lots provide parking in support of certain entitlements. The El Molino lot provides 91 evening and weekend spaces (6 pm to 2 am Mon-Fri and Sat/Sun 6 am to 6 pm) for the Laemmle Theatre. The lot also provides ten spaces from 5 pm to 7 am weekdays and all day weekends for the Independent Order of Odd Fellows. The Madison lot provides 50 spaces from 6 am to 6 pm daily also for the Laemmle Theatre, as well as 100 spaces for the Playhouse Theatre 30 minutes before through 30 minutes after each of its public performances, excluding daytime matinees.

To accommodate the needs of these entitlements and agreements, staff has worked with the owner of the existing 700 space, multi-level parking garage (culinary school garage) located at 40 S. Oakland Avenue, who has agreed to host the 91 spaces (Laemmle evening and weekend) currently assigned to the El Molino lot. Additionally, this property owner also owns the adjacent parcel to the north and has received entitlements to construct a five story medical office building on the site with a five level subterranean parking structure.

As part of that project, the developer requested, and was granted, the ability to provide 86 public parking spaces over and above the amount required by the Zoning Code. The developer has requested to modify the CUP to provide the proposed 86 public parking spaces in the existing 700 car garage. Should the effort proceed, this garage which previously was used exclusively for users on the culinary school block, would become more of a public parking asset serving the entire Playhouse District similar to how the private garages in Old Pasadena at One Colorado and the Parsons site operate. Importantly, there would be no reduction in parking spaces within the District, and in fact, if roughly half of one of the City parking lots were converted to a park, there would be a slight increase of public parking by roughly 40 spaces.

Finally, staff has had preliminary discussions with the owner of the property on the northwest corner of El Molino and Union, across the street from the El Molino parking lot. The owner plans to submit an application for the development of an apartment project with underground parking. The owner has indicated a willingness to construct an additional level of subterranean parking and enter into an agreement with the City for the use thereof, potentially adding another 70 or so spaces. The associated cost could be covered by the Parking Fund from the proceeds of the aforementioned acquisition for park purposes with Residential Development Fees (RIF).

In summary, staff's proposal would result in the establishment of a neighborhood park in an underserved area of the City while growing the pool of public parking in the area. Nevertheless, there are some valid concerns with the proposal. The parking spaces at the El Molino and Madison lots are controlled by the City and easily noticed by users. The South Oakland structure (Culinary garage) is privately owned and managed and work will be needed to make these spaces more visible to transient users. Additionally, the structure will need to accommodate both current and future tenants from the culinary school block.

Certain local business representatives have expressed concern that creating new park space on the City-owned parking lots will negatively impact their businesses as their customers have come to rely on the existing parking. Previous parking analysis acknowledges that there are some challenges during peak times, but after the peak, sufficient parking is available. Recently, the Department of Transportation initiated site specific parking counts to better understand the current use. The findings were that neither lot was 100% occupied at any time during the counts, and that the maximum occupancy at any given time was in the Madison lot on Wednesday, 9/27 at 12:46 p.m. when the lot was 81.2% occupied. The maximum occupancy of the Union lot was on Tuesday, 9/12 at 3:30 p.m. when the lot was 65.3% occupied.

Nonetheless, there has long been a concern voiced by the Playhouse District Association that the area needs more parking resources. Taking this view, the staff proposal does not go far enough to address the perceived inadequacy of supply. Hence, it has been suggested that the City reconsider the construction of a public subterranean parking lot at either or both the El Molino and Madison.

As part of these discussions with certain property owners, the City was provided with a financial analysis related to the construction of subterranean parking structures on each of the City-owned lots. The proposal suggests that the construction of approximately 450 off-street parking spaces would have multiple benefits to the Playhouse District including: an increase in property and sales taxes as more properties could be developed and have their parking entitlement satisfied, allowing for the intensification of usage of historic properties; channeling growth into downtown.

As presented to the City, the estimated cost to construct these 450 spaces (including tandem spaces) within two new subterranean parking garages might be accomplished for \$14 million and that it would be financed by revenue received from 515 new parking meters to be installed throughout the Playhouse District, sales from monthly parking permits and the sale of the existing air rights of the City owned lots. Staff asked a local consultant firm that specializes in evaluating construction costs to review the proposal. The consultant indicated that the construction cost estimates were within industry standards. However, the revenue estimates appear to be significantly more optimistic than what the City's actual experience suggests. As such, there would be at least a \$400,000 annual revenue deficit which would have to be borne by the City. Staff believes it may be appropriate to further study and refine this concept, however, it should not be considered a prerequisite to considering the establishment of a park in the Playhouse District. Nothing proposed by staff would preclude the future development of a subterranean garage.

Staff is recommending that the City Council endorse this effort by directing staff to undertake additional and more broad community outreach to gauge public sentiment for establishment of a park in the Playhouse District and to determine which of the City-owned lots is most appropriate. Staff would meet with various stakeholders including but not limited to the Playhouse District Association, Downtown Pasadena Residents Association, and the general business and residential community. Subsequent to this, staff would return to the City Council with a recommendation.

COUNCIL POLICY CONSIDERATION:

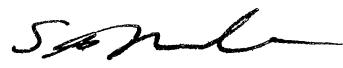
The following Council goals and policies would be advanced under the proposed action:

- General Plan Green Space, Recreation and Parks Element, Objective 4 - Use traditional and creative strategies to preserve and acquire open spaces in order to enhance the quality of life of all Pasadenans;
- General Plan Open Space and Conservation Element - Preserve, acquire and create open space;
- City Council Strategic Planning Goals - Increase conservation and sustainability; and
- Green City Action Plan, Action 10 - Ensure convenient access to public parks and recreational open space.

FISCAL IMPACT:

The estimated cost of community outreach is negligible. Funding for this effort will be addressed by the utilization of existing budgeted appropriations in the Pocket Park Planning CIP project (account 78076). Currently, the balance of \$8.6 million in the Residential Impact Fee fund for this zone of the City.

Respectfully submitted,



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City Manager

Prepared by:



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