



# Agenda Report

**DATE:** June 18, 2012

**TO:** Honorable Mayor and City Council  
**FROM:** Planning Department  
**SUBJECT:** **EXPANSION OF ZONING CREDIT PARKING PROGRAM ON S. LAKE AVE.  
AND RELATED ZONING CODE AMENDMENTS**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Adopt the Initial Study (Attachment - A) and the Negative Declaration for the proposed project;
2. Approve of a finding of consistency with the General Plan as contained in this report;
3. Expand the zoning credit parking program to the S. Lake Ave. District;
4. Approve the proposed amendments to the Zoning Code as contained in this report; and,
5. Direct the City Attorney to draft an ordinance within 60 days consistent with the provisions set forth herein.

## **PLANNING COMMISSION RECOMMENDATION:**

On May 23, 2012, the Planning Commission voted 8-0 to recommend to the City Council:

1. Adopt the Initial Study (Attachment - A) and the Negative Declaration for the proposed project;
2. Approve a finding of consistency with the General Plan as contained in this report;
3. Expand the zoning credit parking program to the S. Lake Ave. District; and
4. Approve the proposed amendments to the Zoning Code as contained in this report.

## **EXECUTIVE SUMMARY:**

Staff recommends the expansion of the zoning credit parking program into the South Lake District to support investment in existing older buildings that have limited parking and therefore cannot meet the current requirements of the Zoning Code for certain types of businesses. The Zoning Credit Parking program will establish an alternative

means to satisfy the parking requirements in the Zoning Code for parking intense uses such as restaurants, gyms, and medical office.

The proposed program aligns with the vision of the South Lake Business Improvement District (BID) and plays a critical role in their business development strategy where full service restaurants are integral. They have been approached by a number of such restaurants looking to locate in the district. However, parking has been an obstacle to replacing low-parking uses, such as retail, with higher-parking uses such as restaurants.

The expansion of the Zoning Credit Parking program will resolve the parking problem and allow new restaurants to locate in the district. This program allows for the creation of new businesses, with associated jobs and secondary economic impacts, and responds to the desires of the South Lake District and the community to expand the opportunities on South Lake.

### **BACKGROUND:**

The proposed program aligns with the vision of the South Lake Business Improvement District (BID) and plays a critical role in their business development strategy where full service restaurants are integral. In recent surveys the BID has found that there is strong support for full service restaurants in the district. This type of restaurant will expand the South Lake market as a place for fine dining and will attract more evening customers, balancing the current customer peak of noon to 2:00 pm. To ensure that the program supports this goal, fast food and formula fast food restaurants will not be eligible. This strategy will help to reinvigorate underutilized ground floor space and promote a vibrant, walkable district.

Similar to Old Pasadena, much of the South Lake commercial area is comprised of older, smaller buildings constructed lot line to lot line at a time when on-site parking was not required or significantly reduced from today's standards. With limited parking these properties cannot meet the current requirements of the Zoning Code for certain types of businesses. For example, under the current Zoning Code, retail uses require only three spaces per 1,000 square feet of space while restaurants require 10 spaces per 1,000 square feet. Without the acquisition of off-site parking, a building owner can lease only to a tenant that meets the available parking on site, often precluding the turn-over of space from retail to restaurant. The Zoning Credit Parking program will establish an alternative means to satisfy the parking requirements in the Zoning Code for parking intense uses such as restaurants. Other high-parking uses that would be eligible for the credits include: clubs, lodges, private meeting halls; nightclub/comedy club; electronic game centers; internet access studios; medical offices; bars or taverns; and physical fitness clubs.

In 2012, a parking study of the commercial areas of the Central District was compiled using data from several previous studies. This study determined that there is a sufficient parking supply to establish a zoning credit parking program that would allow for the intensification of uses in the South Lake District. At peak usage time, between noon and 2:00 pm, 30 percent of the spaces in the district are available.

## **Proposal**

The Old Pasadena parking credit program was adopted in 1985 and allows owners of small, historic buildings to purchase parking credits in publicly owned garages. Staff is recommending a similar program for the South Lake Business District with the difference being that it will be based on public street parking spaces, rather than lots or garages. Although there are publicly owned parking lots within the district, the spaces in those lots are either already allocated to existing businesses or are being used at capacity.

As proposed, 371 public street spaces, with a time limit of more than one hour, would be included in the Zoning Credit Parking program. The proposed program will follow the boundaries of the Business Improvement District including Colorado Blvd. on the north, Hudson Ave. on the west and Mentor Ave. on the east and California Blvd. on the south (See Attachment C).

In Old Pasadena there is a parking reduction of 25 percent because studies have shown that customers park once and shop at multiple stores. No such reduction is being proposed for the South Lake District because a portion of S. Lake Ave. (north of Cordova St.) is located in the transit-oriented development area which already allows a 10 percent reduction in parking because of proximity to the Gold Line Station.

Staff has been working with the South Lake BID to customize the details of the program to be responsive to the needs of the district. Below are the proposed eligibility criteria for the Parking Credit Program:

### Eligibility

Eligibility requirements will be adopted as part of the guidelines, and applications will be processed on a first come basis. Similar to the guidelines used in Old Pasadena, the following eligibility requirements would apply:

- Buildings will not qualify to apply for zoning credits if there is sufficient parking on site or if parking is being met off-site;
- Zoning credits will not apply to new construction or additions;
- Zoning credits will be available only for the conversion of the ground floor space or space associated with a ground floor (such as a mezzanine);
- "Fast food restaurant" or a "formula fast food restaurant," as defined by the Zoning Code, will not be eligible uses. The BID business development strategy is focused on full service restaurants only. Fast food is defined in the Zoning Code as serving on disposable dishes such as paper or plastic. (For a detailed definition of these uses, see Attachment - B.)
- Large buildings that meet their parking with a parking garage or parking lot will not be eligible for parking credits. These large buildings have the capability to

conduct their own shared parking studies to determine if they meet the parking requirements. Specifically not eligible will be:

- Buildings that are more than two stories;
- Buildings that are more than 50,000 square feet; and
- The Shops on South Lake Ave., Planned Development (PD- 23), which has its own shared parking study and a condition that limit restaurants to 27,000 square feet.

### Contracts and Fees

Staff recommends that the funds be placed in a separate account that will be used for parking-related or streetscape improvements within the district.

There are two fees associated with Zoning Credit Parking spaces. The first is a processing fee of \$689.00. The second is a yearly fee based on the number of Zoning Credit Parking spaces. The current yearly Zoning Credit fee for the Laemmle Theater in the Playhouse District is approximately \$229.00 per space; in Old Pasadena, the fee is \$151.00 per space. The Laemmle Theater fee is proposed for the South Lake program. This fee applies only to the allocation of spaces in City-owned facilities and is an entrepreneurial action as opposed to a governmental action. These fees will be reviewed by the City at a later time and may be subject to change in the future.

### Zoning Code Amendment

To implement the proposed program two Zoning Code amendments are necessary. The first amendment would allow for on-street parking to be counted as zoning credit parking spaces within the South Lake district. This amendment would not apply elsewhere in the Central District. The second amendment would clarify that a holder of parking credits will meet any distance requirements of the Zoning Code for parking. Currently, the Zoning Code requires that leased parking shall be within 1,000 feet of the use for customer spaces and 1,500 feet for employee spaces. Zoning Credit parking spaces are not assigned to specific uses, so this provision would not be applicable.

The Zoning Code requires that prior to the approval of an amendment the following findings must be made:

1. The proposed amendment is in conformance with the goals, policies, and objectives of the General Plan in that it is consistent with the Guiding Principle that, "Economic Vitality will be promoted to provide jobs, services, revenues, and opportunities." In particular, this amendment is consistent with Policy 10.3 - Business Expansion and Growth: Support the continuation or expansion of existing businesses in harmony with their surroundings and provide new spaces for growth and changing business requirements.
2. The proposed amendment would not be detrimental to the public interest, health, safety, convenience, or general welfare of the City because a parking study which was completed in 2012 demonstrated that more than sufficient parking exists in S. Lake Ave. to allow for a parking credit program. The proposal showed that

approximately 2,106 spaces were available during the peak hours. The proposal is to allow zoning credit parking spaces of 371 based on the number of on-street parking spaces that are available. This program will allow property owners to purchase credits rather than have a long term lease with a parking lot in the area. Additionally, new fast food or formula fast food restaurants will not be permitted to use the zoning credit parking program, thus discouraging uses that are going to impact the afternoon peak hours. Additionally, the program will be limited to buildings and sites that do not have an abundance of parking spaces.

**ENVIRONMENTAL ANALYSIS:**

An Initial Study and Negative Declaration were prepared. Adoption of the zoning credit parking program and the amendments to Title 17 involves no potential significant impacts.

**FISCAL IMPACT:**

Revenue will be generated for use in the district. This will be an amount of \$229 per parking credit per year for a maximum of \$84,959 per year when all parking credits have been sold. For each application, a fee of \$689 will be collected for the General Fund.

Respectfully submitted,



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Director

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Prepared by:



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Principal Planner

Approved by:



MICHAEL J. BECK

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Attachments: (3)

Attachment A - Initial Study and Attachments

Attachment B - Definition of Fast Food Restaurants and Formula Fast Food Restaurants

Attachment C - Proposed S. Lake Ave. Zoning Credit Parking District Boundary