



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: CEO
Department No.: 990
For Agenda Of: August 19, 2008
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department John Baker, Assistant County Executive Officer
Director(s)
Contact Info: Jamie Goldstein, Deputy Director, Redevelopment Agency,
884-8050

SUBJECT: Isla Vista In-Lieu Parking Fee Program Fee Determination

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

1. Approve the attached resolution that sets the Downtown Isla Vista In-Lieu Parking Fee Program fee amounts. (Attachment 1)

Summary Text:

This item is on the agenda to set the rate for the Downtown Isla Vista In-Lieu Parking Fee Program ("In-Lieu Fee Program"). The payment of the fee allows a developer to fee out of required on-site parking spaces. The fee is used to increase the supply of public parking spaces in downtown Isla Vista. The program facilitates Isla Vista redevelopment. Redevelopment projects will increase property tax revenue, leading to additional revenue to the Redevelopment Agency.

Background:

On August 21, 2007, the Board of Supervisors established the Downtown Isla Vista In-Lieu Parking Fee Program for downtown Isla Vista by Ordinance 4650 (Attachment 2). The Ordinance requires the fee amount to be fixed periodically by resolution.

Current on-site parking standards in Isla Vista pose a barrier to redevelopment due to access difficulties, urban design standards, and fiscal feasibility. The adopted In-Lieu Parking Fee Program addresses these issues by allowing developers to pay a fee in lieu of providing parking on-site. The fee must then be used for parking and mobility improvements, including the construction of a centralized parking structure.

A number of other local jurisdictions have established in-lieu parking fee programs. These programs charge fees that range from \$5,000 to \$53,000. Fee amounts are usually based on a percentage of the actual cost of providing a parking space, which is based on land and construction costs. To establish an appropriate fee amount, staff performed an In-Lieu Parking Fee Study (Attachment 3), focusing on two primary factors:

- Estimated cost to build a public parking space, including land and construction costs; and
- Percentage of actual cost the RDA should capture to meet policy goals.

Staff used average Isla Vista land costs, and construction costs from local parking structure projects to determine an estimated actual cost of \$38,000 per parking space. Staff recommends setting the fee at a level that balances Isla Vista Redevelopment Plan goals and full cost recovery. In order to encourage redevelopment in downtown Isla Vista, staff recommends a fee structure designed to promote near-term investment in commercial development. The increase in development encouraged through the Program will lead to an increase in property taxes, therefore increasing Redevelopment Agency tax increment. The proposed structure is as follows:

Proposed In-Lieu Fee Structure

Project Type	Tier 1 (First 100 In-Lieu Parking Spaces Allocated by County)	Tier 2 (101-400 In-Lieu Parking Spaces Allocated)	Tier 3 (>401 In-Lieu Parking Spaces Allocated)
Change of use projects requiring CDP, but no expansion of gross floor area	No fee	No fee	\$38,000 ¹
New commercial development	\$5,000	\$20,000	\$38,000
Residential	\$15,000	\$20,000	\$38,000

Performance Measure:

Impacts:

Budgeted: Yes

Fiscal Analysis:

Implementation of the In-Lieu Fee Program is accommodated within the adopted RDA FY 08/09 Annual Budget. The In-Lieu Fee Program (Attachment 2) sets forth the guidelines for collection and use of In-Lieu Parking Fee funds. All collected fees will be deposited into an In-Lieu Parking Fee fund. Use of the fund is restricted for the construction, maintenance, or provision of new public parking spaces within, or for the direct benefit of downtown Isla Vista.

The adopted RDA 2007- 2011 Five Year Implementation Plan includes the allocation of \$16,075,000 to pay for the public parking facilities necessary to support the proposed fee structure. Based on the proposed fee structure, the RDA would be required to contribute approximately \$6.5 million towards the construction of a downtown parking structure. That figure is based on estimated In-Lieu Fee Program participation levels and anticipated Master Plan build-out of downtown Isla Vista; the analysis is contained in Attachment 4.

¹ Estimation of actual cost of a parking space

Staffing Impacts:

Legal Positions:

FTEs:

Special Instructions:

Attachments:

Attachment 1 – Resolution to set the fee for the In-Lieu Fee Parking Program

Attachment 2 – Ordinance 4650 – In-Lieu Parking Fee Program

Attachment 3 – In-Lieu Parking Fee Study

Attachment 4 – Program Revenue and Cost Analysis

Authored by:

Goldstein

cc:

ATTACHMENT 1
RESOLUTION TO SET THE FEE FOR THE IN-LIEU FEE PARKING PROGRAM

**RESOLUTION OF THE BOARD OF SUPERVISORS OF
THE COUNTY OF SANTA BARBARA,
STATE OF CALIFORNIA**

IN THE MATTER OF SETTING A FEE FOR)
THE IN-LIEU PARKING FEE PROGRAM) RESOLUTION NO. _____
FOR DOWNTOWN ISLA VISTA)
_____)

WHEREAS, on November 27, 1990 the Santa Barbara County Board of Supervisors approved and adopted Ordinance No. 3894 establishing the Redevelopment Plan for the Isla Vista Redevelopment Project; and

WHEREAS, the Redevelopment Plan for Isla Vista identified a goal to promote public improvement facilities which are sensitive to the unique environmental qualities of the Project Area and improve conditions of deficient infrastructure; and

WHEREAS, on August 21, 2007 the Board of Supervisors adopted Isla Vista Master Plan which identifies policies and action items aimed at alleviating existing parking constraints in the downtown business district and encourages the establishment of an in-lieu fee program; and

WHEREAS, the 2007 - 2011 Five Year Implementation Plan for the Project Area proposed a program to grant private developers the option to pay a fee in-lieu of providing parking on-site; and

WHEREAS, on August 21, 2007, the Santa Barbara County Board of Supervisors approved and adopted Ordinance No. 4650 establishing the In-Lieu Parking Fee Program; and

WHEREAS, the In-Lieu Parking Fee Program is analyzed in the Isla Vista Master Plan Environmental Impact Report which was approved on August 21, 2007 by the Santa Barbara County Board of Supervisors; and

WHEREAS, the In-Lieu Fee Parking Program is intended to alleviate parking constraints in the downtown area, improve downtown design, improve overall land use patterns, and stimulate private development on small lots where current-parking standards may have previously hindered projects; and

WHEREAS, staff has developed the In-Lieu Parking Fee Study dated November 27, 2006 which analyzed the cost of providing new parking facilities in Isla Vista ("Fee Study"); and

WHEREAS, the implementation of an In-lieu Fee Parking Program provides funding to address inadequate parking infrastructure in Isla Vista; and

WHEREAS, the Goleta Community Plan, Policy CIRC-GV-14 states: The County shall pursue the purchase of vacant properties for potential use as parking, or bus turnout areas, where the purchase would help to alleviate traffic congestion, better serve commercial development, etc.; and

WHEREAS, the Parking Fund established through the In-Lieu Parking Fee Program would serve to assist in the acquisition and development of properties for use as parking; and

NOW, THEREFORE BE IT FOUND AND RESOLVED AS FOLLOWS:

- a. The above recitations are true and correct.
- b. The facts and evidence presented in the Fee Study establish that there is a reasonable relationship between the fees set forth below and the provision of parking spaces in Isla Vista and the fees charged will not exceed the costs of supplying parking spaces.
- c. Establishment of a parking in-lieu fee is consistent with the Redevelopment Plan, the 2007 – 2011 Five Year Implementation Plan for Isla Vista, and the adopted Isla Vista Master Plan.
- d. The establishment of the fee for the In-Lieu Parking Fee Program has been adequately analyzed in the Isla Vista Master Plan EIR.
- e. Parking in-lieu fees are in-lieu fees that developers may voluntarily choose in some circumstances instead of providing parking on-site. Parking in-lieu fees are not a tax or special assessment.
- f. The Board of Supervisors hereby sets the downtown Isla Vista In-Lieu Fee Parking Program fee and fee structure as follows subject to annual adjustment as set forth below:

In-Lieu Fee Structure

Project Type	Tier 1 (First 100 In-Lieu Parking Spaces Allocated by County)	Tier 2 (101-400 In-Lieu Parking Spaces Allocated by County)	Tier 3 (>401 In-Lieu Parking Spaces Allocated by County)
Change of use projects requiring CDP, but no expansion of gross floor area	No fee	No fee	\$38,000
New commercial development	\$5,000	\$20,000	\$38,000
Residential	\$15,000	\$20,000	\$38,000

The fee in each tier of the fee structure will be annually updated by the Redevelopment Agency Executive Director using the California Construction Cost Index from the Real Estate Division of the California Department of General Services.

APPROVED AND ADOPTED by the Board of Supervisors of the County of Santa Barbara, State of California, the _____ day of August, 2008, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

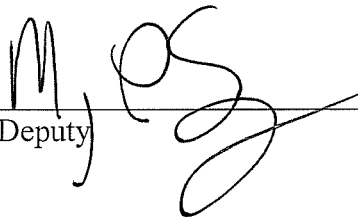
SALUD CARBAJAL
CHAIR, BOARD OF SUPERVISORS

ATTEST
MICHAEL F. BROWN
CLERK OF THE BOARD

By: _____

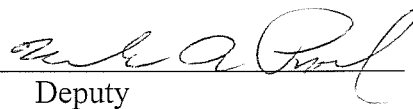
APPROVED AS TO FORM:

DENNIS A. MARSHALL
COUNTY COUNSEL

By:  _____
Deputy

APPROVED AS TO FORM:

ROBERT W. GEIS, CPA
AUDITOR-CONTROLLER

By:  _____
Deputy

**ATTACHMENT 2
ORDINANCE 4650:
IN-LIEU PARKING FEE PROGRAM**

AN ORDINANCE OF THE COUNTY OF SANTA BARBARA
ESTABLISHING AN IN-LIEU PARKING FEE PROGRAM
FOR THE COMMUNITY MIXED USE ZONING DISTRICT

THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA BARBARA DOES
HEREBY ORDAIN AS FOLLOWS:

SECTION 1: PURPOSE AND FINDINGS

Purpose:

This ordinance establishes fees in-lieu of providing on-site parking spaces as provided in the zoning regulations of the Community Mixed Use Zoning District in Isla Vista. Fees pursuant to this ordinance shall become part of a Parking Fund and shall be used for parking and transportation improvements.

The Board of Supervisors hereby finds:

On November 27, 1990 the Santa Barbara County Board of Supervisors approved and adopted Ordinance No. 3894 establishing the Redevelopment Plan for the Isla Vista Redevelopment Project; and

The Redevelopment Plan for Isla Vista identified a goal to promote public improvement facilities which are sensitive to the unique environmental qualities of the Project Area and improve conditions of deficient infrastructure; and

The Draft Isla Vista Master Plan identifies Policies and Action items aimed at alleviated existing parking constraints in the downtown business district and encourages the establishment of an in-lieu fee program; and

The establishment of an in-lieu parking fee program would serve to alleviate parking constraints in the downtown area, stimulate private development on small lots where current parking standards may have previously hindered projects, improve downtown Isla Vista, and improve overall land use patterns; and

The implementation of an In-lieu Fee Parking Program would provide funding to address inadequate parking infrastructure in Isla Vista; and

The 2007 - 2011 Five Year Implementation Plan for the Isla Vista Redevelopment Project Area proposed a program to allow private development the option to pay a fee in-lieu of providing parking on-site; and

The Goleta Community Plan, Policy CIRC-GV-14 states: The County shall pursue the purchase of vacant properties for potential use as parking, or bus turnout areas, where the purchase would help to alleviate traffic congestion, better serve commercial development, etc.; and

The Parking Fund established through the In-Lieu Parking Fee Program would serve to assist in the purchasing of vacant properties for use as parking;

SECTION 2: IN-LIEU FEE PROGRAM

A. Eligible Properties.

All properties within the Community Mixed Use Zoning District shall be eligible to participate in the In-Lieu Fee Parking Program. Notwithstanding the above, the program may be suspended by the Director of Planning and Development if he or she determines that the County is not able to find or develop adequate alternative parking facilities to fulfill the goals of this program.

B. Fee Collection process.

Fees for all development projects participating in the In-Lieu Fee Parking Program shall be paid to the County prior to zoning clearance.

1. Upon receipt of the fee, the County shall place the fee in a parking fund reserved for uses consistent with this ordinance.
2. The County will maintain a record of all properties that have met their required parking space obligation by paying the appropriate fee for the spaces.
3. Payment of this fee does not guarantee that parking spaces will be constructed for the sole use of or in the immediate proximity of that development.
4. This fee will not supersede mitigations for immediate direct impacts determined through a project's environmental process.

C. Amount of Fee.

1. The amount of payment for each required parking space shall be fixed by resolution adopted from time to time by the Board of Supervisors, but in no case shall the fee exceed the estimated current cost to the County of providing required parking spaces to serve the contemplated use. The resolution may include allowances to increase the fee based on an established cost index.
2. Fees paid in accordance with this ordinance are collected to fund a general public parking program serving the Community Mixed Use Zoning District in Isla Vista and are not intended for any specific improvement project. The fees paid shall be the most current fees as established by the Board.

D. Change or Cessation of Ownership and/or Use.

The following apply to changes in use, ownership and development of properties for which in-lieu parking fees have been used to satisfy parking requirements pursuant to this Ordinance.

1. Any satisfaction of parking requirements through the payment of fees under this Ordinance shall continue to apply to the subject property in the event of a change in ownership.
2. Any change of use of a property, or building addition or redevelopment of a site, that requires more parking may trigger additional parking requirements. The number of spaces required by the change in use shall be the difference between the number required by the new use or structure and the number required by the previous use or structure.

3. If a structure is reduced in area, or wholly or partially becomes vacant, or a use is replaced with a use for which less parking is required according to the zoning regulations, there shall be no change in the obligation for parking in-lieu fees. There shall be no refund of in-lieu parking fees. Once satisfied, the obligation for parking in-lieu fees shall be deemed to meet the parking requirement equal to or less than that for which the in-lieu fee amount was previously determined.

E. Use of Fee.

The fees collected shall be used for the following purpose: to construct, maintain, or provide new public parking spaces within, or for the direct benefit of the Community Mixed Use Zoning District in Isla Vista.

Eligible projects include:

- Purchase of land for parking
- Construction of a parking structure or surface parking lot
- Conversion of existing private parking spaces to publicly available spaces
- Maintenance of public parking created through this program
- Funding of parking program enforcement activities
- Bicycle parking
- Other items for parking and transportation improvements as deemed appropriate by the Executive Director of the Santa Barbara County Redevelopment Agency

F. Trust Fund. An interest-bearing trust fund shall be maintained exclusively for the Parking Fund. These trust funds and interest earned by these trust funds shall be used solely for improvements identified in Section E: Use of Fees.

H. Termination. If this fee program is terminated, any excess funds collected prior to dissolution of this fee program shall be used for those purposes identified in Section E of this Ordinance.

I. Other applicable sections of County Code. This article does not supersede, replace, or invalidate other applicable sections of other County Ordinances or the County Code.

SECTION 3

This ordinance shall take effect and be in force 30 days from the date of its passage unless it is required to be certified by the California Coastal Commission in which case it shall be effective upon the date that it is certified by the Coastal Commission pursuant to Public Resources Code 30514; and before the expiration of 15 days after its passage, it, or a summary of it, shall be published once, together with the names of the members of the Board of Supervisors voting for and against the same in the Santa Barbara News-Press, a newspaper of general circulation published in the County of Santa Barbara.

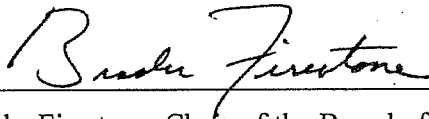
PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Barbara, State of California, this 28th day of AUGUST, 2007, by the following votes:

AYES: Supervisors Carbajal, Firestone, Gray, Centeno

NOES: None

ABSENT: Supervisor Wolf

ABSTAINING: None




Brooks Firestone, Chair of the Board of Supervisors
County of Santa Barbara

ATTEST:

Michael F. Brown
Clerk of the Board of Supervisors

By:

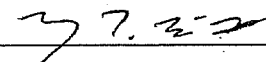


Deputy Clerk

Approved as to form:

Stephen Shane Stark
County Counsel

By:



Deputy County Counsel

**ATTACHMENT 3
IN-LIEU PARKING FEE STUDY**

IN-LIEU PARKING FEE STUDY

November 27, 2006

Summary

Description

Parking and transportation problems in Isla Vista have been well documented over the years. The In-Lieu Parking Fee Program is one effort to deal with the issue of parking in downtown Isla Vista. The Program provides the developer the option of paying a fee instead of constructing the onsite parking requirement. If the developer chooses to participate in the Program, they would enter into an agreement with the County and agree to pay a fee for each required parking space they choose not to construct. The applicant may choose to pay fees for any or all of the required onsite parking. The funds become part of an in-lieu parking fund to be used for parking and mobility improvements in Isla Vista.

Background

Benefits of an In-Lieu Parking Fee Program

Isla Vista's Draft Master Plan identifies a goal of creating a vibrant mixed use downtown in the current commercial area of Isla Vista. On-site parking standards pose a barrier to redevelopment due to access difficulties, urban design standards, and fiscal feasibility. Several communities have addressed this difficulty through the implementation of an In-Lieu Parking Fee Program.

The advantages of this type of program include:

- Consolidation of parking supply
- Improvement of urban design
- Increased fiscal feasibility of redevelopment projects

An In-Lieu Parking Fee Program can alleviate site design constraints due to parking requirements, allow for alternative land uses on land previously used for parking, and provide additional parking options for the reuse or redevelopment of existing significant buildings. Pedestrian activity is improved with the removal of curb cuts as small individual parking lots are consolidated to larger parking areas.

In-Lieu Parking Fee Programs in California

Other jurisdictions have successfully implemented In-Lieu Parking Fee Programs and have taken a variety of approaches in establishing the fee amounts. The amount charged varies widely but is commonly based on local economic factors including land costs, construction and maintenance costs, and the ability of local landowners to pay the in-lieu fee. The table below provides examples of in-lieu fee amounts for selected California cities, and, in certain instances, the fee calculation and permissible fee use. The fee amounts in the examples vary from \$5,000 to \$53,000, with an estimated average cost of \$19,000. Some jurisdictions allow payment of partial fees for existing businesses which change uses, expand existing uses, or change occupancy. For instance, San Luis Obispo charges a flat \$3,011 for a change in occupancy requiring additional parking while the City of Mountain View requires applicants to pay 50% of the full fee with a use change that requires additional parking. Fees are typically updated annually or semiannually using an index tied to inflation or construction costs.

Comparison of In-Lieu Parking Fee Programs in California

Jurisdiction	In-Lieu Parking Fee (per space)	Fee Calculation Basis	Permissible Fee Use
Beverly Hills	\$18,000 - \$31,000 by location	Construction costs and maintenance	
Carlsbad	\$11,240	Estimated cost of parking structure space, including land, construction and maintenance	Future lot construction, maintenance and improvements
Carmel	\$50,000	San Francisco Construction Cost Index applied to the cost of a 400 sq. ft space in a City parking structure	Future lot construction
Carpinteria	\$5,000	Cost of space in municipal lot	Maintenance of existing lots
Hermosa Beach	\$12,500		
Huntington Beach	\$13,807	Established fee adjusted annually based on CPI	Construction and maintenance of structures
Laguna Beach	\$12,000		
Manhattan Beach	\$20,000		
Monterey	\$8,100	Cost of parking structure space	Structure maintenance and other transit options
Mountain View	\$26,000	Estimated construction cost of a space in a downtown parking structure (land cost not included)	
Palo Alto	\$53,000	Actual cost of parking structure space, indexed annually by CPI	
Pismo Beach	\$9,000	Square footage land costs of off street parking space, plus 1.5x or greater the construction cost of a top grade parking lot	
San Luis Obispo	\$12,046, \$3,011 for change of use requiring additional parking		Construction and maintenance of existing structures
Solvang	\$12,376	Estimated cost of parking structure space	Maintenance

Factors for Determining an In-Lieu Parking Fee

There are several approaches used by California jurisdictions to determine the fee amount, but the two primary factors influencing the fee amount are how the cost of a parking space is estimated and how much of the actual cost of the parking space the jurisdiction wants to capture with the fee in order to meet policy goals.

Cost of a Parking Space

To establish an appropriate in-lieu fee amount, an understanding of the actual cost of parking is essential. Basing the parking space cost estimate on simply the cost of land does not give a realistic estimate of the actual cost for the RDA or land owner to provide a parking space. It does not take into account the cost of construction or infrastructure and incorporating the parking

space into site design for a development project. Therefore, two scenarios were used to approximate the actual cost of parking:

1. An estimation of the cost of a space in a surface parking lot
2. An estimation of the cost of a space in a 3 story downtown parking structure.

The cost analysis is contained in Appendix B. The cost of a parking space is summarized below:

Cost Per Space			
	Cost per Space		
Lot Type	Land	Construction	Total
Surface Lot	\$40,000 ¹	\$7,000	\$47,000
Parking Structure	\$14,000 ²	\$24,000	\$38,000

The first step in determining an appropriate fee amount is whether to base the cost of a parking space on the cost of a space in a surface lot or the cost of a space in a parking structure. A surface lot does have a low construction cost compared to a parking structure, and if land were already in possession and the price of a space were based only on construction costs, a surface lot would be the lowest cost option. However, assuming the land for parking must be purchased, as displayed in the table, the least cost option per space is the cost of a space in a parking structure.

It may seem counter intuitive that the cost of a parking structure space is the least-cost option, especially in comparison to a surface lot. However, consider that one space in a surface lot requires approximately 300 ft² of land for the space, circulation and landscaping. In a parking structure cars can be “stacked” on the same 300 ft² footprint of land, requiring less land per space. Therefore, although the construction costs per space in a structure are higher than construction costs for surface parking, due to the high land costs, a parking structure maximizes land use efficiency and lowers the overall cost per space.

Isla Vista is highly urbanized with few vacant parcels and high land costs. The Redevelopment Agency does not currently own the land necessary for a parking lot or structure and therefore must purchase the land necessary to provide the parking, as well as provide and maintain the infrastructure necessary for parking. Therefore, a parking structure, which will maximize land use and lower the overall cost per parking space, would be the most efficient way of providing parking in Isla Vista. Because of this, \$38,000, the estimated cost of a space in a structure, will be used as the parking space cost estimate for this analysis.

Future Parking Need

Isla Vista has a current population of approximately 20,000 residents, including 13,000 students. High resident auto ownership rates of nearly 80% and nearly 350 UCSB commuters parking during peak parking hours in Isla Vista make parking one of the most pressing issues facing the community.

There are currently 56 residential units and 175,740 square feet of commercial and institutional property in downtown Isla Vista. There are 682 existing downtown parking spaces, 130 of which are on the public right of way, and 552 on private properties.

Staff used the build-out scenario from the Isla Vista Master Plan to determine the future possible parking demand in Isla Vista. Since the parking requirements vary by unit size, staff estimated the average parking demand based on 50% studio and 50% two bedroom units at build-out. Using

¹ Estimated land per space = 300 ft²
² Estimated land per space = 100 ft²

these estimates, staff estimated a total demand of 1039 spaces at build-out. With 552 parking spaces currently on private property, the additional parking needed will be approximately 487 parking spaces. The current and future parking need is outlined in the table below.

Parking Need

Downtown Parking	Number of Spaces
Existing Parking	552
Parking at Build-out (Total)	1039
Residential	608
Commercial	432
Additional Parking Demand at Build-out	487

Percentage of Cost to be Captured

Once the cost estimation per space and future parking need is determined, the percentage cost per parking space the jurisdiction wants to capture with the fee must be determined. Allowing a property owner to forgo the construction of the required parking and pay a fee leaves the responsibility of providing the necessary parking and infrastructure to the Redevelopment Agency. Therefore, while requiring a lesser percentage cost of a parking space may encourage redevelopment, it requires a greater government subsidy.

There are advantages and disadvantages for setting the fee at different levels. A high fee that reflects the full cost, or a large percentage, of the cost of a parking space could potentially generate more revenue for the program but could be prohibitive to property owners' participation in the program, and may discourage redevelopment. A lack of participation will also potentially lower the overall revenue for the program, but the Redevelopment Agency is then responsible for a lesser number of spaces. Alternatively, with a lower fee, redevelopment is encouraged but the Agency is responsible for providing a greater number of spaces and a smaller percentage of the actual cost per parking space is captured.

Other In-lieu fee parking programs have had varied success. The truly successful programs, those with high participation rates, and those in which the fees collected pay or nearly pay the full cost of the services rendered, generally are located in jurisdictions which are relatively dense, have high land costs, and have strong commercial districts. When jurisdictions have a less vibrant commercial district, it becomes more difficult for developers to recapture the costs of the program.

Isla Vista's commercial district is in the early stages of redevelopment and does not yet demonstrate the characteristics of a robust commercial district. Property owner participation in an Isla Vista In-Lieu Parking Fee Program will most likely be highly dependent on fee amount. A fee representing the actual cost of a parking space would most likely discourage participation in the program, and it would be difficult, if not impossible, to collect enough monies to fully cover the actual cost of parking in Isla Vista.

Redevelopment Agency staff anticipates Redevelopment Agency funds may be available in the future for parking improvements. Therefore, the fee amount could be set at a percentage representation of the actual cost based on policy goals and priorities. A clear understanding of the total cost of providing parking in Isla Vista, as well as a clear understanding of the relevant policy

goals is necessary to make effective policy decisions for an Isla Vista In-Lieu Fee Parking Program.

Cost of Parking in Isla Vista

At \$38,000 a space, the approximate cost of 487 additional spaces in Isla Vista would be about \$19 million. An In-Lieu Fee Parking Program will cover a percentage of this cost, but the actual revenue generated from an In-Lieu Fee Parking program will be highly variable because of fee amounts and property owner participation. The table below summarizes possible participation rates based on fee amounts, the revenue generated from fee, actual cost of parking, and additional RDA funding necessary.

Comparison of Cost of Parking Space and Landowner Participation

Percentage Representation of Cost of Structure Parking Space	Fee Amount	Percent Property Owner Participation*	Number of Spaces	Revenue Generated	Actual Cost of Providing Parking	Additional RDA Funding Necessary
100%	\$38,000	10%	50	\$1,900,000	\$1,900,000	\$0
75%	\$28,500	25%	125	\$3,562,500	\$4,750,000	\$1,187,500
50%	\$19,000	50%	250	\$4,750,000	\$9,500,000	\$4,750,000
25%	\$9,500	75%	375	\$3,562,500	\$14,250,000	\$10,687,500

*100% participation is the approximated 500 additional spaces needed in future

A fee set at 100% of the cost of providing parking would, in principle, provide all the funding necessary for the parking, but because of the prohibitive cost, would not encourage participation, essentially discouraging redevelopment and the consolidation of the parking supply. A lower fee amount would elicit a greater level of property owner participation, but would generate less revenue, require more spaces, and require a greater subsidy from the Redevelopment Agency. The revenue from a mid-level fee, though still requiring a substantial subsidy from the Redevelopment Agency, would generate a portion of the cost while also encouraging participation.

While higher Program participation requires the Redevelopment Agency to provide a greater amount of parking, it also allows for economy of scale, which can lower the overall cost per space. For example, 10% property owner participation at 100% of the parking space cost would require the RDA to provide approximately 50 spaces. A surface lot could provide 50 spaces, but because of high land cost, each space would cost approximately \$50,000. Therefore, the actual cost of parking in this case would cost more than \$38,000, requiring a subsidy from the Redevelopment Agency. If 50% of the property owners participated, requiring 250 spaces, a structure could be built to accommodate these spaces at a lower cost per space. Because of this, the most cost efficient and effective method would be to set the fee at a mid-level representation of the cost, therefore encouraging property owner participation, generating revenue, and achieving economy of scale.

Recommendations

Setting this appropriate fee amount and making effective policy decisions requires a clear understanding the relevant policy goals. Two goals contained in the Isla Vista Redevelopment Plan that guide policy decisions for the In-Lieu Parking Program are as follows:

- To provide for the enhancement and renovation of businesses within the Project Area to promote their economic viability.
- To encourage the cooperation and participation of residents, businesses, business persons, public agencies and community organizations in the redevelopment and revitalization of the Project Area.

In order to encourage redevelopment in the downtown Isla Vista, staff recommends a fee structure designed to promote property owner participation. The proposed structure is as follows:

Proposed In-Lieu Fee Structure

Project Type	Tier 1 (First 100 In-Lieu Parking Spaces Allocated by County)	Tier 2 (101-400 In-Lieu Parking Spaces Allocated by County)	Tier 3 (>401 In-Lieu Parking Spaces Allocated by County)
Change of use projects requiring CDP, but no expansion of gross floor area	No fee	No fee	Actual cost ³
New commercial development	\$5,000 (13% of actual cost)	\$20,000 (53% of actual cost)	Actual cost ³
Residential	\$15,000 (53% of actual cost)	\$20,000 (53% of actual cost)	Actual cost ³

Based on the project type, the first 100 spaces in Tier 1 would be sold at the fee amount outlined in the chart. The next 300 spaces in Tier 2 would be sold at the assigned fee amount by project type, and so on. The three tiers are designed to encourage early participation while also prioritizing development in downtown Isla Vista; first encouraging redevelopment of existing buildings, then new commercial development, and finally residential development. The fee is lowest for the commercial uses because business enhancement and renovation is a primary goal of the Redevelopment Agency.

Eliminating additional parking requirements for change of use projects encourages redevelopment and allows a greater range of uses for properties currently constrained by parking requirements. There are a variety of buildings in Isla Vista currently not in use or restricted to their current use due to parking constraints. Eliminating this restraint aims at correcting this problem and maximizing commercial use of the building in Isla Vista.

A fee of \$5,000 for a new commercial development parking space is well below the actual cost of providing a space in a development and will provide incentive for developers to construct new commercial floor space. Projects previously infeasible can be completed while still providing the Redevelopment Agency some revenue for parking. A \$5,000 fee for new development projects in Tier 1 provides a catalyst for development and is designed to provide a synergistic effect in Isla Vista; the initial redeveloped properties encourage surrounding property owners to improve their properties as well.

While the fee structure primarily encourages commercial redevelopment, it also provides incentives for residential development. The fee for residential spaces provides additional options for developers, but also allows the Redevelopment Agency to recoup some of the costs for a parking structure. Residential parking requirements are less constrained than commercial; therefore, it is often easier to provide onsite residential parking than commercial parking. In addition, it is feasible to provide a centralized area for commercial parking. Commercial parking needs can be minimized by centralizing parking and sharing spaces which is difficult to do with residential spaces.

³ Current estimate of actual per parking space construction cost + land is \$38,000

Appendix A

Current Parking Requirements: Commercial (Division 6, Section 35-110)

1. Hotels/motels: one space per guest room and one space per 5 employees.
2. Restaurants, cafes, taverns, etc: one space per 300 square feet of space devoted to patrons and one space per two employees.
3. Business and professional offices, such as banks, lawyers' offices, etc.: one space per 300 square feet of gross floor area.
4. Retail business and general commercial: one space per 500 square feet of gross floor area.
5. Furniture and appliance stores; heating, ventilating, and hardware stores; motor vehicle and machinery sales and service: one space per 1,000 square feet of gross floor area.
6. Hospitals: one space per two beds and one space per three employees.
7. Convalescent hospitals, sanitariums, and rest homes: One space per three beds and one space per three employees.
8. Medical clinics, medical and dental offices: One spacer per 200 square feet of gross floor area.

Appendix B – Cost Analysis

Estimated square footage cost of land for a parking space

For the purposes of this study, an estimate of \$6 million/acre of land was used. The estimated square footage cost of land for a parking space, ~150 ft², is about \$20,000. For each parking space, there is also land required for circulation and landscaping, with an additional square footage of approximately 150 ft². Therefore, the total square footage cost of land for each parking space is approximately \$40,000.

Estimated cost of a space in a surface parking lot

Cost	Calculation
\$40,000	Land Cost for 300 ft ² parking space (including circulation and landscaping)
\$7,000	Construction Cost ⁴ (300 ft ² x \$30/ft ²)
\$47,000	Total Cost

Estimated cost of a space in a downtown parking structure

Staff conducted an informal survey to determine approximate costs of construction for various parking structures in the surrounding area. Based on the results (summarized below), an average construction cost of \$23,750 per parking space was determined.

One space in a surface lot requires approximately 300 ft² of land, while in a parking structure cars can be “stacked” on the same 300 ft² footprint of land, requiring less land per space. Therefore, a parking structure accommodates a greater number of cars in the same footprint as a surface parking lot would. Therefore, as estimated above, the conceptual footprint (due to parking stories) for a parking space in a 3 to 4 story parking structure is approximately 100 ft². Therefore, the approximate land cost per parking space is \$14,000. With a construction cost per space of \$24,000 (as estimated in table below), the total cost per space for a parking structure would be approximately \$38,000.

Parking Structure Costs

Location	Year	Cost of Construction (millions)	Projection of cost in 2005* (millions)	# of Spaces	Projection of cost/space in 2005* (thousands)	Lot Size	Sq Ft of Land per Parking Space (approx.)	# of Floors
UCSB – Mesa Lot	1997	\$13.1	\$17.4	905	\$19,236	~250x350 ft.	97	3 floors
City of Palo Alto	2003	\$15.5	\$18.0	690	\$26,052	~240x160 ft.	56	7 floors**
City of Oxnard	2005	\$10.5	\$10.5	450	\$23,333	~224x200 ft.	100	4 floors
UCSB Lot 10	2004	\$15.0	\$17.4	600	\$28,993	~365x130 ft.	79	4 floors
UCSB Lot 22	2005/2006	\$22.3	\$22.3	1056	\$21,117	N/A		N/A
AVERAGE		\$15.3	\$17.1	740.2	\$23,746		83	

*Calculated from the Yearly California Construction Cost Index from the California Department of General Services

**2 floors underground

⁴ Conceptual-level cost estimate for surface parking lot in Isla Vista from engineer

ATTACHMENT 4
PROGRAM REVENUE AND COST ANALYSIS

In-Lieu Parking Fee Program Revenue and Cost

In-Lieu Spaces Allocated

		Tier 1 (1-100)	Tier 2 (101-400)	Tier 3 (401+)
Commercial	267	67	200	0
Residential	133	33	100	0
Total	400	100	300	0

Per Space In-Lieu Fee

Actual Cost	\$	38,000
Tier 1 Commercial	\$	5,000
Tier 2 Commercial	\$	20,000
Tier 1 Residential	\$	15,000
Tier 2 Residential	\$	20,000
Tier 3	\$	38,000

		Designation	Number Spaces	Total
Revenue	In-Lieu Fee	Commercial	267	\$ 4,335,000
		Residential	133	\$ 2,495,000
		Total	400	\$ 6,830,000
Cost	Parking Structure	--	350	\$ 13,300,000
Agency Expenditure				\$ 6,470,000