

CONTINUED FROM THE FEBRUARY 21, 2006 MEETING

SUBJECT: SIX-MONTH REVIEW OF PARKING OPERATIONS AT THE HERMOSA PAVILION – 1605
PACIFIC COAST HIGHWAY

Staff Recommended Alternatives

1. To require that the owner provide two hours free parking for customers with validation (or with health club membership) in order to increase use of the parking structure by the fitness club members and other patrons and set a public hearing for modification of the conditions of Parking Plan, to impose this specific condition, and a specific condition to prevent spillover parking in the neighborhood as an enforcement tool; or
2. To accept the efforts of the owner to promote programs to increase the use of the parking structure, and re-evaluate the success of these programs in six months when the Pavilion is more fully occupied. At that time it could be determined if its necessary to impose new conditions on the Parking Plan

Background:

At the February 21 meeting the Planning Commission reviewed the parking study submitted by the Pavilion owner, and listened to testimony from several nearby residents, and customers and employees of businesses within the Hermosa Pavilion. It was clearly established that a significant parking problem exists, since 30-40% of Pavilion users were choosing to parking on nearby streets or in other commercial lots rather than using the parking structure. This off-site parking appeared to be largely by members of the fitness club. Staff presented solutions for Commission consideration, and the Commission continued the matter, directing staff to work with the applicant to find mutually agreeable solutions.

On August 19, 2003 the Planning Commission approved the Parking Plan for the Hermosa Pavilion, as amended. Condition No. 3(b) of Planning Commission Resolution 03-45 specifically states that the “adequacy of parking supplies and *efficiency* of the parking operation program shall be monitored for six-months after occupancy of the Health and Fitness Facility,” requiring a report from the applicant’s traffic engineer “certifying adequate on-site parking is available”. The owner and staff have been monitoring the use of the parking facility in relation to the use of the fitness club and other tenants in the building. The owner has provided a report pursuant to this requirement for Commission review to address both the adequacy of parking supplies, and the efficiency of the parking operation. The report supplied by the owner’s traffic and parking consultant clearly shows a significant under utilization of the structure, and a substantial off-site parking impact. Section 6 of Resolution 03-45 also includes a paragraph that states that the “Planning Commission may review this Precise Development Plan and Parking and may amend the subject conditions or impose any new conditions if deemed necessary to mitigate detrimental effects on the neighborhood resulting from the subject use.”

PARKING SUPPLY

Consistent with the approved Parking Plan a maximum of 540 parking spaces are provided as follows:

- 454 standard single load,
- 42 tandem (for employee parking or tandem assist for customers)
- 44 parallel for valet parking.

PARKING RATES

Parking rates are \$1.00 per hour, or 16.00 per day. With validation, 24-hour fitness customers can park for up to two hours for \$1.00 (Monthly passes are available a price of \$20.00 per month). Employee parking passes (monthly and annual) are available to park in separately designated employee parking areas based on lease agreements with each tenant.

Analysis:

Staff has met with the applicant to discuss some of the options presented. The owner has focused on efforts to better promote and lower the cost for users of the Pavilion, by offering monthly or annual passes, that can potentially reduce the cost for parking from \$1.00 to 50 cents per visit. Also, a program to offer free parking validation with the purchase of a smoothie is proposed. Otherwise, the owner suggests that the City solve the problem by limiting parking on P.C.H. to 30 minutes, and initiate a preferential parking district for the impacted neighborhoods (please see attached correspondence).

Based on the approved Parking Plan, and the City's acceptance of the shared parking arrangement, in addition to supplying required parking it is also the owner's obligation to ensure that the parking is being used and the parking demand for the project does not create neighborhood parking problems. This is clearly expressed in the Conditions of Approval, which give the City authority to take actions requiring improvements to the operation and use of the structure, and require the owner to demonstrate that the structure is being used efficiently.

Discussion of Recommendations

1. Modify conditions of the Parking Plan to Require Two Hour free parking

This is a fairly simple solution that would likely cause an immediate and significant increase in the use of the structure and reduce the use of nearby street parking. It involves providing either validation for patrons of the businesses in the Pavilion, or the provision of parking passes to members of the fitness club. It could also be tailored only to the higher demand times in the early A.M. and P.M. to lessen the burden on parking structure revenue. The City's traffic engineer reviewed the parking study and the spillover parking problem, and supports the recommendation for providing free parking, noting that the current cost for parking encourages the patrons of the facility to find alternative means to park their vehicles. Typically those looking for parking seek the least expensive and yet convenient means to park their cars. On street parking becomes a very attractive alternative. Since the critical period for customer parking related to the gym use is early morning and later afternoon, two hours of free parking may resolve the on-street parking problem at these peak times. The Commission may want to evaluate the effectiveness of this solution in one year. At that time further measures could be considered by the City to discourage parking on the nearby streets.

The owner is opposed to this recommendation and does not want to provide free parking in this manner. He has offered, however, to provide limited 2-hour free parking on level 2 of the parking garage in the tandem parking spaces (fitness club patrons would receive a double validation). This would require users to leave a key with a parking assistant. Sixty spaces are available at this level. Otherwise, he argues that not charging for the frequent short parking visits by the customers of the fitness club will result in a significant loss in revenue which will in turn make it impossible to continue to provide the high level of security and service in the parking structure. He notes that he provides 24-hour security, and employs several cashiers and other attendants to make sure that the parking structure is maintained safe and clean, and operates smoothly, reflecting a first class operation. Further, he notes

that the current rate structure is already established in the lease with 24-Hour Fitness, which cannot be modified, therefore, he cannot pass the cost on to the fitness club, or to members in their membership dues. He also argues the providing free parking will not necessarily be an effective solution, since it is not only the cost of parking that causes patrons to use street parking.

As stated in Section 6 of Resolution 03-45, if the Commission finds that the use of the building is causing detrimental effects on the neighborhood, conditions of the resolution may be amended or new conditions imposed. Also pursuant to Chapter 17.70 of the Zoning Ordinance (pertaining to revocation an expiration of permits or variances granted by the Commission), the Commission may after public hearing revoke or modify any permit if “the use for which the approval was granted was so exercised as to be detrimental to the public health or safety, or so as to constitute a nuisance.” Therefore under either the Parking Plan resolution or the Zoning Ordinance the Commission may consider permit revocation or modification.

Therefore, since a specific problem causing detrimental effects on the neighborhood has been identified and quantified, the Commission may wish to impose more specific conditions to address this problem. For example a condition could be added to require that parking be provided for free for at least two hours during peak use periods to patrons of the fitness club and other patrons with validation. If such a condition were added, it would explicitly give the City authority to withhold occupancy permits and construction permits for any new tenants until such free parking is provided.

2. Promotion of parking passes, validation purchases, free tandem assist parking, and other incentives to use the structure, and reassess in 6 months

The spillover parking is clearly significant, however the owner argues that it is not totally his responsibility but is offering several limited solutions to help the situation by providing more incentive for patrons to use the structure instead of parking on nearby streets. Basically the owner is proposing free tandem assist parking for two hours, and to better promote parking in the structure, and offering parking passes that will reduce the cost per visit if purchased in advance. The owner has initiated and proposes the following programs some of which are also described in the attached flyers:

- Two hour validation for users of tandem assisted parking on level 2
- \$20 monthly parking pass (for up to 100 hours) aimed at frequent users
- \$25 monthly parking pass (for up to 250 hours) aimed at daily users
- Buy three months get the fourth month free
- \$1.00 validation with purchase of a smoothie from Still Water Café and Green Bar
- Valet program (\$1.00 extra)
- Added cashier and pay on foot pay station
- Multi-hour validation for reduced cost for Glen Ivey customers (cost and duration not known)

The tandem assisted free parking would only be available for those willing to park in level 2, which is not the most convenient location in the structure, but which would be more convenient than nearby on-street parking. The monthly parking passes are aimed only at frequent users, as it would not make any sense for those parking 2-hours or less per visit who use the structure less than 20 times a month to spend \$20 for a monthly pass. So a typical gym patron that comes 2-4 times a week would have no reason to purchase a pass. It is therefore not clear whether there has been any significant response to these programs (the program either have not been initiated or only recently been actively promoted), or whether these programs are having any impact or will reduce the impact on the neighborhood in the

future. The owner has promised providing parking receipts to demonstrate the response to these programs, but staff has not received this information at this time.

Given that the effectiveness of these programs may be limited, the owner is also suggesting that a preferential parking district be created and/or more strict parking restrictions be placed on the nearby streets to discourage customers from using the public parking areas. The owner has been meeting with nearby commercial businesses and residences to determine their receptiveness to this proposal. He indicates several local businesses have agreed to lobby the City Council to place 30-minute parking restrictions on P.C.H. parking.

While placing restrictions on street parking which has historically been freely available will discourage and limit such parking, it passes the costs of resolving this problem to the residents who will have to pay for parking passes and perhaps also to the City (through enforcement costs to monitor and tow violating cars). Also, if placing restrictions on street parking has the desired effect of increasing the demand for the use of the structure, it will actually serve to increase parking revenue for the parking structure.

The owner also argues that he has not had sufficient time to demonstrate the effectiveness of his programs, and believes if given additional time the parking problem will be shown to not be as severe. Also, he argues that the timing of this review is premature given that the Pavilion management and the parking operator have not fully worked out all the “bugs” to maximize the efficiency of the parking operation because of ongoing construction, and other issues related to staffing and implementing the valet parking program. Therefore, he argues if he is given more time it will allow a more accurate assessment, and in the meantime he can work with the City and nearby residents to resolve the problems more effectively by imposing specific restrictions on P.C.H. parking and to consider a preferential parking district for residential neighborhoods.

Conclusion:

The City Attorney has determined that the City has the authority to require free or discounted validated parking for persons conducting business in the building. This is an exercise of the City’s constitutional police power to impose reasonable conditions on a project to address project impacts and mitigate adverse environmental impacts associated with a development project and to avert creation of a public nuisance.

Such a condition may be imposed on the Precise Development Plan and Parking Plan for the Pavilion property or any future discretionary permit issued to any tenant of the building or upon. Also, the City is empowered to withhold permit issuance for any property where there is a recognized illegal condition pursuant to Chapter 2.84.010 of the Municipal Code. To invoke this section would require modification to the existing project permit

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Attachments:

1. Letter from Pavilion owner and promotional flyers.