



CITY COUNCIL STAFF REPORT

DATE: October 5, 2011 NEW BUSINESS

SUBJECT: DISCUSSION REGARDING THE TEMPORARY REDUCTION OF IN-LIEU PARKING FEES IN THE CENTRAL BUSINESS ZONE AS A MEANS TO PROVIDE ADDITIONAL ECONOMIC DEVELOPMENT INCENTIVES

FROM: David H. Ready, City Manager

VIA: Craig A. Ewing, AICP, Director of Planning Services

SUMMARY

The City has received a letter (see attached) from Michael Hanley, representing John Hadley, the owner of property at 191 S. Palm Canyon Drive (NW corner S. Palm Canyon and Arenas). Mr. Hadley wants to redevelop the property which was previously an art gallery with a restaurant as the new primary use. The proposed new restaurant use would require the property to meet new parking requirements with on-site parking or the payment of the City's in-lieu parking fee, if on-site parking is not possible.

The in-lieu parking fee in the Central Business District (C-B-D) zone is \$12,867 per space. As proposed, this restaurant's use would require 32 new on-site parking spaces. As set forth in his letter, Mr. Hanley is requesting that the City Council consider waiving the in-lieu parking fees for the proposed new restaurant use at 191 S. Pam Canyon Drive.

RECOMMENDATION:

1. Provide direction to staff regarding any change to the City's in-lieu parking fee schedule. If the Council chooses to change the in-lieu parking fees, staff would recommend doing so as an economic stimulus incentive for a prescribed period of time. Based on the Council's direction, a resolution amending the in-lieu parking fee would be returned to the Council for action at your next meeting.

ANALYSIS:

The Zoning Code establishes on-site parking standards for all uses in all zone districts. Tradition relief from these standards is available through the regular process of an

ITEM NO. 5.B.

Administrative Minor Modification (up to 10% reduction) or by a Zoning Variance (greater than 10% reduction).

The City Council also recognized that properties in the City's Central Business District have unique difficulty meeting the parking requirements of the Zoning Code because the downtown area is characterized by lot subdivisions and development which pre-date the advent of automobile travel. Many of the lots are too small to provide any on-site parking, and others can only provide a minimum amount.

To provide an option for new development, including re-using existing buildings for more intense uses, the City Council created the "in-lieu parking fee".

The in-lieu parking fee option is provided in various sections of the Zoning Code and any change to the general program itself would require the initiation of a Zone Text Amendment, followed by Planning Commission, and then City Council public hearings. A more direct and simple change to the program may be made by the City Council by the amendment of the fee amount in the City Fee Resolution.

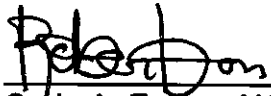
Currently, the in-lieu parking fee program is available to properties in the C-B-D zone, which generally covers Palm and Indian Canyon Drives, from Ramon to Alejo Roads and side streets. The 2011-12 Fee Resolution sets the in-lieu parking fees at:


- \$12,867 per space between Ramon and Tahquitz
- \$ 2,145 per space between Tahquitz and Alejo

The Council has discretion in determining the in-lieu parking fee amount, and may wish to consider one of the following options in response to Mr. Hanley's request:

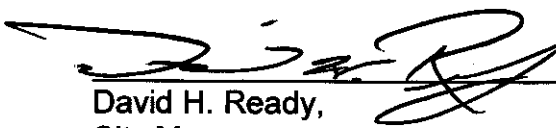
1. Leave the fee unchanged.
2. Revise the Fee Resolution to any in-lieu fee deemed acceptable by the Council.
3. Revise the Fee Resolution for a limited period of time as an incentive.

FISCAL IMPACT: None.


for _____
Craig A. Ewing, AICP,
Director of Planning Services



Thomas J. Wilson,
Assistant City Manager, Dev't Svcs



David H. Ready,
City Manager

Attachments:

1. Palm Springs Zoning Code Section 93.06.00xx
2. 2011-12 Fee Resolution (Excerpt)

CODY'S BAR & EATERY
191 S. PALM CANYON DRIVE
PALM SPRINGS, CA 92262

August 29, 2011

Mayor and City Council of Palm Springs California

Mayor Steve Pougnet
Mayor Pro Tem Lee Weigel
Councilmember Ginny Foat
Councilmember Chris Mills
Councilmember Rick Hutcheson

Dear Honorable Mayor and Members of City Council:

I am writing to you today on behalf of myself and my two business partners regarding our goal of opening a new exciting restaurant on the northwest corner of Arenas and Palm Canyon at 191 S Palm Canyon Drive. All three of us are happy homeowners in this fine city and one, John Hadley, is also the owner of the building in question.

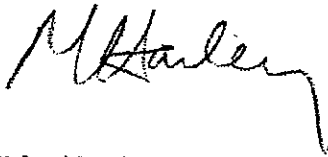
When John purchased the then vacant and boarded-up building last winter, he envisioned renovating the upper floor for offices to be used by his own company. This has been accomplished. He was also very taken with the unique architecture of this William F Cody designed building and wished to keep all of its original character intact. One way to accomplish this goal was to create a 150 seat restaurant in the main floor and basement space that would make use of the expansive use of window and rock face fundamental to the building's design. We also chose to name the enterprise as Cody's Bar & Eatery in homage to the building's architect.

Over the past few months we have worked extensively on our construction and design plans to meet all the health, safety, ADA and other requirements of such a venture. In mid-August we met with city planning officials to get the ball rolling on the land-use and building permit processes. Following this meeting we were advised that we would be subject to an "in lieu of parking fee" in the amount of \$384,000. Apparently, we require the capacity of 64 parking stalls (32 of which are grandfathered) and happen to be in a business district where the set fee is \$12,000 per stall. To give you some perspective, this fee is the equivalent of our entire construction budget and has effectively put a complete stop to our project.

We believe, like you, in a vibrant downtown for Palm Springs and seriously want to actively participate in making that happen. However any additional costs such as these absolutely hinder such development and force existing buildings to stay embedded in their grandfathered land-use for fear of generating permit complexity and fees. These policies contribute to the current propensity of vacant spaces in our downtown core.

We'd very much like to move forward with our restaurant plans but desperately need your assistance to proceed. We understand that unlike others who have recently received public funds to open restaurants in the downtown core that there are no longer development assistance programs available. There is however the possibility of reviewing and waiving these "in lieu of parking" fees so that our project can continue as planned.

We respectfully ask for and thank you for your earliest consideration of this important matter. I am available to assist in any way.



Michael Hanley
General Manager
Cody's Bar & Eatery
Email: pmhanley@rogers.com
Cell: 760-413-8330

cc: David Ready, City Manager
Tom Wilson, Assistant City Manager
Cathy Van Horn, Economic Development Administrator
Tim Ellis, President, Palm Springs Chamber of Commerce
John Hadley, Partner in Cody's LLC
Scott Timberlake, Partner in Cody's LLC