



CITY COUNCIL STAFF REPORT

DATE: October 19, 2011 UNFINISHED BUSINESS

SUBJECT: APPROVE A PARKING IN-LIEU FEE INCENTIVE PROGRAM FOR THE CENTRAL BUSINESS DISTRICT ZONE FOR A PERIOD ENDING DECEMBER 31, 2012

FROM: David H. Ready, City Manager

BY: Community & Economic Development Department

SUMMARY

This action creates an In-Lieu Parking Fee Incentive Program, for the period expiring on December 31, 2012, establishes a single in-lieu fee of \$2,145 per space and allows for the fee to be paid over five years, with no payment required at building permit stage or in the first year of operation.

RECOMMENDATION:

1. Adopt Resolution No. _____, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, ESTABLISHING AN IN-LIEU PARKING FEE INCENTIVE PROGRAM IN THE CENTRAL BUSINESS DISTRICT AREA."
2. Authorize the City Manager or his designee to execute all necessary documents.

STAFF ANALYSIS:

The Zoning Code establishes on-site parking standards for all uses in all zone districts. Traditional relief from these standards is available through the regular process of an Administrative Minor Modification (up to a 10% reduction) or by a Zoning Variance (greater than 10% reduction).

Under the Code, all commercial tenants have the responsibility for complying with the parking provisions of the ordinance. The City Council also recognized that properties in the City's Central Business District (CBD Zone) 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. Beyond that, to try to force a suburban development pattern where individual businesses or property owners provide on-site parking is antithetical to good urban design and would destroy much of the vitality of the downtown

core. 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. Therefore, Staff recommends a more direct and simple change to the program through an amendment to the fee amount in the City Fee Resolution.

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

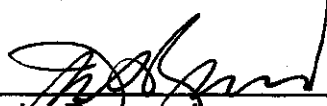
- \$12,867 per space between Ramon and Tahquitz
- \$ 2,145 per space between Tahquitz and Alejo

Staff recommends the following:

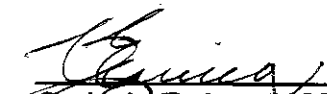
1. For any project in the CBD subject to the in-lieu parking requirements that receives a building permit prior to December 31, 2012, the fee shall be established at the \$2,145 per space.
2. All in-lieu fees due for any such project shall be eligible for a deferred payment program, whereby no payment shall be due at permit issuance or for the first year after issuance, with 25% of the payment due each year after the end of the first year, for the next four years.
3. A covenant shall be recorded against the property establishing the in-lieu fee obligation and the payment schedule; such covenant shall be released upon full payment of the in-lieu fees.
4. This program shall expire on December 31, 2012.

FISCAL IMPACT:


No funds have been collected by the In-lieu funds over the past two years. There is the potential of a modest amount of lost income to the parking fund, but it is difficult to determine the amount due to the disincentive the higher fee currently creates.



John Raymond,
Director of Community & Economic Development



Craig A. Ewing, AICP
Director of Planning Services



David H. Ready, Esq., Ph.D.
City Manager



Thomas J. Wilson, Asst. City Manager

Attachment: Proposed Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM SPRINGS, CALIFORNIA, ESTABLISHING AN IN-LIEU PARKING FEE INCENTIVE PROGRAM IN THE CENTRAL BUSINESS DISTRICT AREA AS ESTABLISHED BY RESOLUTION NO. 21578 AS AMENDED (COMPREHENSIVE FEE SCHEDULE).

THE CITY COUNCIL OF THE CITY OF PALM SPRINGS FINDS:

A. The City Council of the City of Palm Springs recognized that properties in the City's Central Business District (CBD Zone) 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, and adopted Section 93.06.00 of the Zoning Code to establish an In-Lieu Parking Fee.

B. The current in-lieu parking fee program is available to properties in the CBD Zone, and Resolution No. 21578, as amended, (Comprehensive Fee Schedule) establishes in-lieu parking fees at \$12,867 per space between Ramon Road and Tahquitz Canyon Way and \$2,145 per space between Tahquitz Canyon Way and Alejo Road.

C. The City of Palm Springs relies on new development and redevelopment in the City, including the Central Business Zone to stimulate the local economy and provide direct and indirect benefits to the City and its residents and businesses by creating jobs, and new tax bases and revenues to the community,

D. Due to recent adverse changes in economic conditions throughout the nation, including the City of Palm Springs, construction of development projects previously approved, or in the process of being approved, by the City of Palm Springs have slowed down due to such economic conditions.

E. The City Council has determined due to the economic conditions and investment climate in the downtown area, a temporary change to the program through an incentive program temporarily reducing in-lieu parking fees can spur development.

F. All of the findings and determinations made herein were based upon careful consideration and analysis of all relevant evidence.

THE CITY COUNCIL OF THE CITY OF PALM SPRINGS DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Notwithstanding any provision within Resolution No. 21578 to the contrary, for any project in the CBD Zone subject to the in-lieu parking requirements that receives a building permit within the period of November 20, 2011 and December 31, 2012, the in-lieu parking fee shall be in the amount of \$2,145 per space.

SECTION 2. All in-lieu parking fees due for any such project shall be eligible for a deferred payment program, whereby no payment shall be due at permit issuance or for the first year after issuance, with 25% of the payment due each year after the end of the first year, for the next four years.

SECTION 3. The deferral of fees pursuant to Section 2 of this Resolution shall be evidenced and secured by a covenant and payment schedule recorded against the property on which the eligible project is located, approved by the property owner. Such covenant shall be released upon full payment of the in-lieu fees.

SECTION 4. DEFERRAL OF COST INDEX INFLATORS.

Notwithstanding any other provision in Subsection D of Section 2 of Resolution No. 21578, as amended, adopting a comprehensive fee schedule, the City Manager shall not adjust Parking In-Lieu fee as provided in Section 1 of this Resolution by the cost index inflator.

SECTION 5. This Resolution shall automatically expire and be of no force and effect on December 31, 2012, unless the City Council shall have first acted to extend or otherwise alter the provisions of this Resolution prior to that time.

SECTION 6. Nothing contained in this Resolution shall be deemed to authorize or permit the deferral of payment of any fee or charge imposed within the City except for those Fees expressly enumerated in Sections 1 and 2 of this Resolution.

SECTION 7. Nothing contained in this Resolution shall be deemed to create any new fee or charge, or increase of any existing fee or charge, to which the procedures specified in Section 66017 of the Government Code of the State of California would be applicable.

SECTION 8. If any section or provision of this Resolution is for any reason held to be invalid or unconstitutional by any court of competent jurisdiction, or contravened by reason of any preemptive legislation, this Resolution shall be deemed invalid. The City Council hereby declares that it would not have adopted this Resolution if any of the sections or provisions thereof may be declared invalid or unconstitutional or contravened via legislation.

SECTION 9. The City Manager or his designee is hereby authorized to execute all necessary documents to implement and administer this Program.

PASSED, APPROVED AND ADOPTED BY THE PALM SPRINGS CITY COUNCIL THIS 19TH DAY OF OCTOBER, 2011.

DAVID H. READY, CITY MANAGER

ATTEST:

JAMES THOMPSON, CITY CLERK

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, JAMES THOMPSON, City Clerk of the City of Palm Springs, hereby certify that Resolution No. _____ is a full, true and correct copy, and was duly adopted at a regular meeting of the City Council of the City of Palm Springs on _____, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JAMES THOMPSON, CITY CLERK
City of Palm Springs, California