



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of July 23, 2019

TO: Members of the City Council

SUBMITTED BY: David Biggs, City Manager

SUBJECT: Update on Waterfront/Bayfront Parking Study and Future Steps

RECOMMENDED ACTION: Receive Report, Discuss, Provide Feedback, and Direction, if any.

FISCAL IMPACT OF RECOMMENDATION: None as a result of this item, though elements of the parking study and implementation of the City's obligations under the Waterfront Master Plan and the Implementing Development Agreement for the Bayfront may have future financial ramifications.

DISCUSSION: The City and Hercules Development Partners for which the general partner is Ledcor, are implementing the Waterfront District Master Plan which encompasses the area also known as the Bayfront. The relationship between Ledcor and the City is also defined by the terms of a Vesting Development Agreement (VDA) and an Implementing Development Agreement (IDA). These agreements were entered into by the predecessor landowner and developer to Ledcor and the City approved an assignment of these agreements to Ledcor in June, 2016.

The Waterfront District Master Plan has provisions related to parking. In addition, the IDA addresses parking in two exhibits: Exhibit G – List of City Public Improvements, and Exhibit H – Public Financing Plan (Attachment 1). Exhibit H is the place which requires a Public Parking District and a Parking Study as precedent to the formation of a Parking District as excerpted below:

b. Parking Study

The parties agree that prior to the formation of a Parking District the specifications of parking for the public transit facilities and the initial phases of the private development need to be scrutinized in detail, with particular attention to opportunities for shared parking and parking cost reduction. To that end, by January 1, 2013, City shall conduct a parking study in cooperation with Owner. The costs of the study shall be borne by City. The study shall evaluate precise parking needs for the Project Site, and shall make recommendations on appropriate financing mechanisms, including the formation of a Public Parking District.

While the IDA called for completion of the Parking Study by 2013, given lack of market demand and other factors, efforts to address the parking questions did not launch until after the acquisition of the property by Ledcor in 2016. In 2017, the City and Developer collaborated on an initial phase which

resulted in an analysis of how much parking would be needed for the Regional Intermodal Transportation Center. It was also agreed that, to expedite preparation of the Parking Study, Ledcor would take the lead in consultation with the City. That effort was unsuccessful as it identified that the City and Developer have different perspectives as to the intent and requirements of the IDA provisions and the Parking Study. As such, the City subsequently solicited proposals from firms to undertake the Parking Study at the City's direction and expense. In August, 2018, the City Council appropriated funds and selected DCM Smith to serve as the firm to develop the requisite Parking Study (Attachment 2).

Since that time, the development of the Parking Study has been underway in cooperation with Ledcor as required by the IDA, but with the City in the lead. The Waterfront District Master Plan parking principles, management concepts, and other parking provisions have served as the basis for and guided the development of the Parking Study, with the parking excerpts from the Master Plan provided as Attachment 3.

The City and our consultant, and the Developer, have agreed to base assumptions to determine the demand for parking on a shared parking basis for the ultimate build-out of the Bayfront assuming three base scenarios – bus transit only, bus and rail transit, and bus, rail and ferry transit. Staff and CDM Smith believe that this Demand Memo (Attachment 4) and base data provides for a reasonable basis to develop the framework to develop and manage parking for the Bayfront.

The Demand Memo reflects that upon full build-out with all three components of transit in operation, bus, rail, and ferry, there is a peak mid-day weekday shortage of 40 spaces based upon the demand assumptions versus supply. That number assumes that the City has constructed a single level of parking beneath the RITC with 93 spaces and that 100 surface spaces are constructed around Block K that is part of the supply.

To assist the City Council in reconciling the parking Demand Memo gross parking supply with how the Developer has calculated their shared parking proposal, the following elaboration is provided:

Table 3 shows the number of shared spaces offered by the Developer, which seems lower than 10% of the developer's total supply is that the 310 spaces in Blocks A, B, C and D (the Bowl) are counted as part of the supply, but it is assumed that these spaces would be the total amount of parking required for these blocks, since these for-sale units are to be fully self-sustaining in terms of parking. Since the amount of parking provided on these blocks did not exceed the requirement, none of those spaces would be available for sharing. Remove these 310 spaces from the supply results in a total of 1,760 parking spaces assigned to the rental units, thus 10% of which leads to the 176 spaces as shown in Table 3 of the memo. However, this includes Blocks F & H (Cury's properties), which would not fall under Ledcor's 10% proposal.

| Table 3: Parking Supply Alternatives Type of Parking | Developer Proposal |
|-------------------------------------------------------------|---------------------------|
| Dedicated Residential parking | 1,922 |
| Shared Residential/Public Parking | 176 |
| Public parking (On-Street and dedicated commercial) | 494 |
| Total | 2,592 |

A second component of the Parking Study looks at strategies which will allow for the successful development and management of the parking demand and supply. This component of the Parking Study is still in development and the current draft is provided as a Draft Strategies Memo (Attachment 5). City staff and our consultant team are still working on possible financing options as contemplated in Exhibit H that would be needed for the City to meet its obligations and any considerations for the Developer. These strategies will ultimately further flesh-out the form and manner for the required Public Parking District.

On a separate track, the City Council is considering an appeal of the approval of the Developer's third phase for Blocks M, P & O. Part of that process has resulted in a Conceptual Memorandum of Understanding which will lead to an Implementation Agreement on parking and the eventual formation of a Public Parking District. Elements of what is included in the MOU will be incorporated into the final form of Parking Study. Given the remaining elements of the Parking Study which have to be completed, it is anticipated that the final form of the Parking Study will be completed in the Fall of this year. In addition, we anticipate having to present to Council a contract amendment for the CDM Smyth contract in September as the cost to prepare the Parking Study will exceed the initial contract amount.

ATTACHMENTS:

1. Exhibits G and H
2. CDM Smyth Contract Award Staff Report
3. Waterfront District Master Plan Parking Excerpts
4. Demand Memo
5. Draft Strategies Memo

| <i>Financial Impact</i> | | | |
|---------------------------------------------------------------------------------|----|----------------|----|
| Description: | | | |
| Funding Source: | | | |
| Budget Recap: | | | |
| Total Estimated cost: | \$ | New Revenue: | \$ |
| Amount Budgeted: | \$ | Lost Revenue: | \$ |
| New funding required: | \$ | New Personnel: | \$ |
| Council Policy Change: Yes <input type="checkbox"/> No <input type="checkbox"/> | | | |