



CITY OF SANTA CRUZ
809 Center Street
Santa Cruz, California 95060

DOWNTOWN COMMISSION (DTC)

Regular Meeting
UPDATED 9.20.18
September 27, 2018

8:30 A.M. GENERAL BUSINESS AND MATTERS OF PUBLIC INTEREST, COUNCIL CHAMBERS

Commission meetings are audio recorded and will be posted to the Advisory Body webpage following the meeting.

Written material for every item listed on the agenda is available for review at the Public Works office, 809 Center Street, Room 201, and online at www.cityofsantacruz.com.

Time limits set by Commission Policy are guidelines. Unless otherwise specified, procedures for all items, are:

- Oral staff report
- Public comment - 3 minutes each; maximum total time may be established by the Presiding Officer at the beginning of an agenda item
- Commission deliberation and action

No action will be taken on items listed under Oral Communications, Announcements, Presentations, and Information Items

Appeals - Any person who believes that a final action of this advisory body has been taken in error, that decision may or may not be appealable to the City Council. Appeals must be in writing, setting forth the nature of the action and the basis upon which the action is considered to be in error, and addressed to the City Council in care of the City Clerk Administrator. Appeals must be received by the City Clerk Administrator within ten (10) calendar days following the date of the action from which such appeal is being taken. An appeal must be accompanied by a fifty dollar (\$50) filing fee.

Additional Information

Visit the City's Web Site at www.cityofsantacruz.com with links including City Advisory Body Meeting Agendas and Minutes, Advisory Body Information, and the Santa Cruz Municipal Code.

A copy of the full DTC agenda, agenda reports and attachments which are included in the meeting packet, are available for review at the Central Library on Church Street no later than three (3) days prior to the meeting date.

The City of Santa Cruz does not discriminate against persons with disabilities. Out of consideration for people with chemical sensitivities, we ask that you attend fragrance free. If you wish to attend this public meeting and will require assistance, such as an interpreter for American Sign Language, Spanish, or other special equipment, please call the Public Works Office at (831) 420-5162 or e-mail sruble@cityofsantacruz.com at least five (5) days in advance so that arrangements for such assistance can be accommodated. The Cal-Relay system number: 1-800-735-2922.

Any writing related to an agenda item for the open session of this meeting distributed to the DTC less than 72 hours before this meeting is available for inspection at the Public Works Department at 809 Center Street, Room 201. These writings will also be available for review at the DTC meeting in the Council Chambers.

Downtown Commission (DTC)
Updated 9.20.18

8:30 AM

Call to Order

Roll Call: Chair Casey Coonerty Protti, Vice Chair Deidre Hamilton; Commissioners Dexter Cube, Zach Davis, Matt Farrell, Manu Koenig, and Patrick Prindle

Announcements

The Chair may announce and set time limits at the beginning of each agenda item.

Oral Communications

Presentations

1. Climate Action Annual Update - Dr. Tiffany Wise West, Sustainability & Climate Action Coordinator

Approval of Minutes

2. Approval of the June 19, 2018 Downtown Commission Special Meeting Draft Minutes

Motion to approve the minutes of the June 19, 2018 Downtown Commission Special Meeting as submitted.

General Business

3. Updates to Downtown Parking Resolution

That the Downtown Commission provide feedback and guidance on updates to the Downtown Parking Resolution.

The item below was inadvertently left off the agenda.

4. Pacific/Laurel/Front Streets Proposed Project

That the Downtown Commission, by motion, make a finding that there is adequate capacity in the Downtown Parking District to serve the proposed project at Pacific/Laurel/Front Streets.

Information Items

Written Material

Subcommittee/Advisory Body Oral Reports

Commissioner Work Plan Updates

Ad Hoc Committees

Garage Financing - Cube

Traffic and Transportation Issues - Davis

Commissioner Work Plan Updates

Items Initiated by Members for Future Agendas

Adjournment



CITY OF SANTA CRUZ
809 Center Street
Santa Cruz, California 95060

DOWNTOWN COMMISSION (DTC)

Special Meeting

June 19, 2018

8:30 A.M. GENERAL BUSINESS AND MATTERS OF PUBLIC INTEREST, COUNCIL CHAMBERS

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**Downtown Commission (DTC)
Special Meeting**

8:30 AM

Call to Order: 8:30 a.m.

Roll Call: Vice Chair Deidre Hamilton; Commissioners Dexter Cube, Matt Farrell, Manu Koenig, and Patrick Prindle

Absent with Notification: Chair Casey Coonerty Protti and Commissioner Zach Davis

Statements of Disqualification: None

Staff: James Burr, Claire Fliesler, Marlin Granlund, Shizue Shikuma

Announcements: None

The Chair may announce and set time limits at the beginning of each agenda item.

Oral Communications: None

Presentations: None

Approval of Minutes

1. Approval of the March 22, 2018 Downtown Commission Meeting Draft Minutes

Motion to approve the minutes of the March 22, 2018 Downtown Commission Meeting as submitted.

MOTION: Commissioner Koenig moved, seconded by Commissioner Farrell to approve the minutes of the March 22, 2018 Downtown Commission Meeting as submitted.

ACTION: The motion carried unanimously with the following vote:

AYES: Vice Chair Hamilton; Commissioners Cube, Farrell, Koenig, and Prindle.

NOES: None.

ABSENT: Chair Coonerty Protti and Commissioner Davis.

DISQUALIFIED: None.

General Business

2. Downtown Parking Fees and Rates

That the Downtown Commission recommend that City Council approve amending downtown fees and rates to increase parking permit rates, increase hourly parking rates for lots, meters and parking structures, to fund the sunset of parking deficiency fee paid by businesses, regular annual funding for Transportation Demand Management enhancement, and construction of a new parking structure.

The Vice Chair opened the public comment period, two minutes per speaker.

Rick Longinotti, The Campaign for Sustainable Transportation
Curt Simmons
Joseph Schultz
Stanley Sokolow
Brett Garrett
Judi Grunstra
Patrice Boyle
Chip, Downtown Association
Owen Lawlor
Joe Jordan

The Vice Chair closed the public comment period.

MOTION: Commissioner Koenig moved, seconded by Commissioner Farrell to amend the motion to fund the sunset of parking deficiency fee paid by businesses 50% per year instead of 20% a year.

ACTION: The motion failed by the following vote:

AYES: Commissioner Koenig.

NOES: Vice Chair Hamilton; Commissioners Cube, Farrell, and Prindle.

ABSENT: Chair Coonerty Protti and Commissioner Davis.

DISQUALIFIED: None.

MOTION: Commissioner Prindle moved, seconded by Commissioner Cube that the Downtown Commission recommend that City Council approve amending downtown fees and rates to increase parking permit rates, increase hourly parking rates for lots, meters and parking structures as shown in Attachment 4, to fund the sunset of parking deficiency fee paid by businesses at 20% per year, regular annual \$300,000 of funding for Transportation Demand Management enhancement, and funding for construction of a new parking structure.

ACTION: Vice Chair Hamilton called for a roll call vote. The motion passed with the following vote:

AYES: Vice Chair Hamilton; Commissioners Cube, Farrell, and Prindle

NOES: Commissioner Koenig.

ABSENT: Chair Coonerty Protti and Commissioner Davis.

DISQUALIFIED: None.

Information Items

3. River Front Garage PARCS Installation Update

For Information Only

Marlin Granlund reported that the credit card reader is being replaced and should be complete in a couple of weeks. Staff purchased new equipment for the Cedar Street lot.

4. River Front Garage Deck Restoration Update

For information only

Marlin Granlund reported that the restoration is complete.

Written Material

5. Article: Future Proofing Parking

For information only

Subcommittee/Advisory Body Oral Reports

Commissioner Work Plan Updates

6. Subcommittee/Advisory Body Oral Reports

For Information Only

Items Initiated by Members for Future Agendas

Adjournment: 10:57 a.m.

MOTION: Commissioner Cube moved, seconded by Commissioner Koenig to adjourn.

ACTION: The motion passed unanimously.

AYES: Vice Chair Hamilton; Commissioners Cube, Farrell, Koenig, and Prindle.

NOES: None.

ABSENT: Chair Coonerty Protti and Commissioner Davis.

DISQUALIFIED: None.

The next Downtown Commission meeting is scheduled for July 26, 2018 at 8:30 a.m. in the City Council Chambers.



Downtown Commission AGENDA REPORT

DATE: 9/17/2018

AGENDA OF: 9/27/2018

SUBJECT: Updates to Downtown Parking Resolution

RECOMMENDATION: That the Downtown Commission provide feedback and guidance on updates to the Downtown Parking Resolution.

BACKGROUND: Over the past year, the Downtown Commission has heard updates on many different changes that could occur in the Downtown Parking District. These include updates to the Downtown Plan, a potential for a new parking supply project, changes to the downtown parking rates strategy, increased Transportation Demand Management (TDM) programs, and how to accommodate future significant development projects. At the same time, the City Council conducted focused work on addressing the regional housing crisis. This work resulted in the Housing Blueprint Subcommittee (HBS) report and recommendations, some of which specifically relate to parking changes downtown.

The Downtown Commission has been exploring the need for a new parking supply project since the early 2000's. Since early 2017, the Downtown Commission has reviewed, commented, and recommended various items related to proposed changes, intensification, and transportation and parking updates in the downtown. Most recently, at the June 19, 2018 Downtown Commission meeting, the Commission recommended that City Council approve amending downtown fees and rates, to increase parking permit rates, increase hourly parking rates for lots, meters and parking structures, to fund the sunset of parking deficiency fee paid by businesses, regular annual funding for Transportation Demand Management enhancement, and construction of a new parking structure.

At the September 11, 2018 City Council meeting, Council approved moving forward with the next step in creation of a new parking supply project on Lot 4. Council directed staff to work with the Downtown Commission to revise the Downtown Parking Resolution to sunset the deficiency fee over a five year period, beginning in 2019.

In addition to Council action from September 11, 2018, the Council has been working on a wide variety of strategies to address the regional housing crisis. As the result of the December 2017 "Community Voice on Housing" report, Council formed the HBS to prioritize actions related to the topics of community vitality, housing protection, and housing production. The HBS included direction on several parking-related items, both City-wide and Downtown.

Staff has been directed to return to Council by late 2018/early 2019 with an analysis of Code updates to the downtown parking standards for residential development, including direction to

staff to continue their pursuit of developing additional parking supply for off-site/shared parking facilities to facilitate redevelopment downtown. Related to this longer-term goal, Council has directed staff to return with proposed approaches to achieving the following tasks:

1. Allowing a downtown project's entire parking requirement to be located off-site;
2. Updating Downtown in-lieu parking fee program in an effort to improve cost recovery and incentivize use by future development;
3. Tiering of in-lieu parking fee rates such that affordable housing units pay a lower rate than market rate housing would, in an effort to encourage affordable housing development;
4. Implementing an off-peak residential parking permit program to better utilize existing parking supply;
5. Updating of downtown parking requirements to incentivize residential development that increases affordability and efficiency of available land; and
6. Consolidate parking in structures to provide increased opportunities for affordable housing at adjacent sites or surrounding properties.

DISCUSSION: At this point in time, staff is seeking feedback from the Commission on in-lieu fees (#s 2 & 3 above), off-site parking (#1 above), and parking for special events.

Update the in-lieu fee to reflect an updated cost recovery model. Staff seeks guidance on the cost recovery element of the updated in-lieu fee. This is recommended to be a tiered system with a lower rate for affordable housing projects to incentivize affordable housing development in the downtown. Staff seeks input on the appropriate cost recovery rate to both continue a sustainable Parking District and also incentivize housing and affordable housing development projects downtown.

As we know, parking is an expensive element of new development, and can take a significant portion of the developable site area to provide the required parking as part of a project. A parking in-lieu fee is a common parking management strategy utilized by municipalities throughout California that gives proposed projects or uses the option to pay a designated fee rather than provide some or all on-site parking spaces required by the code. This allows the supply of the shared parking system to meet the needs of the development, and it should be priced at a balance to be both low enough to make sense for development and high enough to ensure that the downtown parking district can manage the increase in demand. This tool is currently available in the Downtown Parking resolution but will become a more important tool with the sunset of the deficiency fee, and the fee strategy should be reexamined.

It is important to emphasize that the purpose of the new in-lieu fee is not to generate all of the revenue required to replace parking on a "one-to-one" basis. While some cities have set their fees for full cost recovery, a larger number of cities set their parking in-lieu fees at a discounted rate. Staff is seeking guidance from the Commission on the appropriate cost recovery rate to seek for projects looking to use the in-lieu fee. Under the current ordinance, in-lieu fees range from \$8,000-\$13,000, depending upon unit size. This represents less than a 20% cost recovery. Staff recommends consideration of an updated cost recovery rate, with a lower rate for affordable units.

Allowance of 100% of parking requirements for development to be met off-site in the entire shared supply. Staff seeks guidance from the Downtown Commission on the allowance of 100% off-site parking in development projects and whether to maintain the requirements for the Downtown Commission to make a finding of sufficient supply or public benefit. Currently,

projects are allowed to meet their parking requirements off-site within 300', but no explicit guidance exists in the resolution that states the quantity or proportion of a project's parking that can be provided in this manner. Staff is seeking confirmation that the Downtown Commission is in support of allowing projects to have 100% of their required parking be located off-site at any location within the District, not restricted to within 300'. Additionally, staff is seeking feedback from the Commission that affordable housing is considered a public benefit and will be allowed to utilize off-site parking regardless of the availability of sufficient supply.

Special events. Staff seeks guidance on how to accommodate both reoccurring and non-reoccurring special events that use parking supply.

Subsequent to receiving this guidance from the Downtown Commission, staff will prepare a proposed updated resolution and return to the Commission for review and recommendation to Council. These changes will take into account the direction from the Downtown Commission on the policy questions above as well as language on implementation of new policies and fees, a five-year sunset of the deficiency fee, and removal of outdated language related to post-earthquake recovery and collection of deficiency fees that is no longer applicable.

Future items from the HBS recommendations, including an off-peak residential permit program and consideration of changes to parking ratios, will be brought to the Commission at a future meeting.

FISCAL IMPACT: This project has no impact on the General Fund. The impact on the Parking Fund is unknown at this time pending direction.

Prepared by:
Claire Fliesler
Transportation Planner

Prepared by:
James Burr
Transportation Manager

Submitted by:
Claire Fliesler
Transportation Planner

Submitted by:
James Burr
Transportation Manager

ATTACHMENTS:

No Attachments



Downtown Commission AGENDA REPORT

DATE: 9/20/2018

AGENDA OF: 9/27/2018

SUBJECT: Pacific/Laurel/Front Streets Proposed Project

RECOMMENDATION: That the Downtown Commission, by motion, make a finding that there is adequate capacity in the Downtown Parking District to serve the proposed project at Pacific/Laurel/Front Streets.

BACKGROUND: BACKGROUND: Owen Lawler of LHH Partners, LLC is proposing a new project that would include residential and commercial land uses and a parking garage with a driveway access on Front Street.

DISCUSSION: The project combines seven parcels, will demolish five commercial buildings and construct a six-story 315,698 square foot mixed use building with 205 residential apartments and 10,656 square feet of ground floor commercial space within Parking District No. 1.

The attached table compares the parking demand and supply by year end 2016 and year end 2017 for the whole parking district. It incorporates existing demand and anticipated development on the other remaining vacant downtown parcels.

At the end of 2017 the Downtown Parking District shows an overall parking surplus of 26 spaces in the Downtown Parking District. This project is located in Zone 3 which has a deficit of 43 spaces.

Parking demand is calculated on square footage for the retail use and per bedroom for residential uses. This project at 205 residential units with 262 bedrooms and 10,656 square footage of commercial space is required to have 262 spaces for the residential units and 27 spaces for the commercial areas. The project is providing 252 spaces for the residential units and no parking for the commercial space. This would calculate to 37 spaces deficient for the project and would bring the supply for the Downtown Parking District to a deficit of 11 spaces.

The City of Santa Cruz Planning Department is also working with LHH Partners to increase the amount of commercial space on Front Street which would remove an additional twelve parking spaces and increase the deficit to 29 spaces.

Resolution NS-23,559 which fixes the fees for parking deficiencies has an option (section 9c) for a one time in-lieu fee for mixed use residential projects of which this project could be considered. The project shall be subject to the parking deficiency and in-lieu fees that are effective at the time of building permit issuance.

Although the proposed development will place demands on the parking district, these demands are consistent with those anticipated in the Downtown Recovery Plan and can be accommodated within existing supply.

SUMMARY: Staff recommends that the Commission pass a motion finding that there is adequate capacity to serve the proposed project although it could effect future development within the Parking District.

FISCAL IMPACT:

Prepared by:
Marlin Granlund
Parking Program Manager

Submitted by:
Marlin Granlund
Parking Program Manager

ATTACHMENTS:

Table 1
Resolution NS-23,559

Table 1

Downtown Parking District Supply and Demand			
Year 2016	Supply	Demand	Surplus/Deficit
Zone 1	1,718	1,426	292
Zone 2	1,734	1,800	-66
Zone 3	504	547	-43
Zone 4	671	820	-149
Total District	4,627	4,593	34
Year 2017	Supply	Demand	Surplus/Deficit
Zone 1	1,718	1,426	292
Zone 2	1,734	1,800	-66
Zone 3	504	547	-43
Zone 4	671	828	-157
Total District	4,627	4,601	26

RESOLUTION NO. NS-23,559

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ
FIXING THE PARKING DEFICIENCY FEES FOR
BUSINESSES LOCATED IN PARKING DISTRICT NO. 1
AND RESCINDING RESOLUTION NS-23,188

WHEREAS, proceedings for the formation of Parking District No. 1 were initiated by the City Council of the City of Santa Cruz in Resolution No. NS-2233, adopted June 25, 1956;

WHEREAS, thereafter Parking District No. 1 was duly formed and now exists in the Central Business District of the City of Santa Cruz, pursuant to said resolution, City ordinances, and the Parking District Law of 1951, California Streets and Highways Code, Section 35100 et seq.;

WHEREAS, the system of off-street automobile parking spaces in Parking District No. 1 has been acquired and improved for the benefit of the properties in said Parking District No. 1, and for the use by business owners, their employees, customers, and others in Parking District No. 1.

WHEREAS, bonds of Parking District No. 1 in the initial principal amount of \$650,000.00, and in the second additional principal amount of \$765,000.00, and in the third additional principal amount of \$650,000.00, have been issued, sold and delivered to finance the acquisition and improvements of said parking places and additional parking places to be hereinafter acquired and improved, and funds are required to pay a portion of the principal and interest of said bonds;

WHEREAS, Santa Cruz Municipal Code Section 12.32.420 and California Streets and Highways Code Section 35108(g), authorize the City to fix and collect rentals, fees, and charges for the use of parking places in Parking District No. 1;

WHEREAS, Parking District No. 1 has participated in the issuance of Certificates of Participation for the construction of the third level on the River/Front Parking Garage and several downtown parking lot acquisitions;

WHEREAS, the City Council, acting on the Downtown Commission's recommendation, has approved the 1984 Parking Master Plan, which called for regular increases to the parking deficiency fees;

WHEREAS, food carts on private property and the four (4) kiosks on Pacific Avenue are to be assessed a reduced parking deficiency fee;

Resolution No. NS-23,559

WHEREAS, the Joint Parking Subcommittee, consisting of three members of the Downtown Commission, three members of the Planning Commission, and the Parking Rate and Finance Committee recommended changes to residential parking standards and the deficiency fee rate structure;

WHEREAS, the Downtown Commission recognized the need to create deficiency fee equity for sole medical practitioners with 1200 square feet or less office area;

WHEREAS, the Downtown Commission, in an effort to establish equity and fair standards for all businesses downtown, has recognized the need to assess deficiency fees from ongoing special events that do business in public parking lots at least once a month.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Cruz as follows:

SECTION 1. DEFINITIONS. Terms used herein shall have the following meaning unless the context otherwise requires:

(a) ADEQUATE. "Adequate" means that Parking District No. 1 is able to supply at least half of the expected parking demand of the new project, with parking permits (valid seven days a week) within the project's vicinity.

(b) AFFORDABLE. "Affordable" means purchasable or rentable by households with average or below-average incomes based on standards established by the Santa Cruz City Council.

(c) BUSINESS PREMISE. "Business premise" means any land, building, or structure, or any portion thereof, used or occupied for business or commercial purposes or for the production of income, including any rented or leased residential property consisting of three dwelling units or more.

(d) DECISION MAKING BODY. "Decision making body" shall mean the Santa Cruz City Council which is the final approval body for matters pertaining to Parking District No. 1.

(e) DWELLING UNIT. "Dwelling Unit" means any building which is designed or used exclusively as a residence.

(f) HOURS. When calculating the number of hours a special event occupies a City parking lot, the event shall base its percentage of use on a factor of nine (9) hours per day seven days per week.

(g) FEE. "Fee" means the Parking Deficiency Fee.

(h) GROSS FLOOR AREA. "Gross Floor Area" shall mean the sum of the gross horizontal floor area of a building measured from the exterior face of exterior walls, or from the centerline of a wall separating two (2) buildings; in cases where no walls exist or a roof projects more than two (2) feet beyond exterior wall, the gross horizontal floor area shall be that area covered by the roof excluding two (2) feet for standard roof projection. In buildings where multiple tenants share common area, the common area shall be divided among the tenants based on their percentage of privately occupied floor area.

(i) OFF-STREET PARKING SPACE. "Off-street parking space" has the meaning set forth in the Santa Cruz Municipal Code, Title 24 (Zoning Ordinance), Chapter 24.10.

(j) ORDINANCES AND PROCEEDINGS. "Ordinances and proceedings" refers herein to any City codes, ordinances, resolutions, and proceedings referring to such codes, ordinances, resolutions, and proceedings, as they now exist, or as they may be now or hereafter amended or modified.

(k) PARKING PLACES. "Parking places" means all public parking lots owned or leased by the City, and located within Parking District No. 1.

(l) PERSON. "Person" means any individual, corporation, general partnership, limited partnership, trust, or any other form of business organization.

(m) RECONSTRUCTION PROJECT. "Reconstruction project" means a residential or mixed use project which contained residential units prior to the October 17, 1989 Loma Prieta earthquake, which were demolished as a result of damage due to the earthquake, and which are proposed to be reconstructed at the same location.

(n) SPECIAL EVENT. "Special event," means a Downtown Association promotional event or other special event approved by Council that occupies a City public parking lot on an ongoing basis at least one time per month or more.

(o) VICINITY. "Vicinity" means within three hundred feet (300 ft.) of the project's site.

SECTION 2. PARKING DEFICIENCY FEES IMPOSED. Fees for use of the parking spaces and other Parking District No. 1 facilities are hereby fixed and imposed.

Resolution No. NS-23,559

These fees shall remain in effect until modified or repealed by a subsequent resolution of the City of Santa Cruz City Council.

SECTION 3. PERSONS LIABLE FOR PAYMENT OF FEES.

(a) BASIC RULE. Any person who regularly maintains business premises within Parking District No. 1, and/or regularly conducts business thereon, is liable for payment of the fee.

(b) INDIVIDUAL OR JOINT AND SEVERAL LIABILITY. Individual or joint and several liability for payment of the fees shall be as follows:

(1) If the person subject to the fee is a corporation, the corporation shall be individually liable for payment of the fee;

(2) If the person subject to the fee is a limited or general partnership, then the partnership and each of the general partners shall be jointly and severally liable for payment of the fee;

(3) If the person subject to the fee is an individual doing business as a sole proprietor, then such individual shall be individually liable for the fee;

(4) If the person subject to the fee is in some other form of business organization, then any individual or entity who may ordinarily be held responsible for the debts of such business organization shall be liable for the fee, either individually, or jointly and severally, as may be appropriate under the circumstances.

Resolution No. NS-23,559

(c) LANDLORD AND TENANT.

(1) RESIDENTIAL. When any leased or rented premises is used as a residence, either temporary or permanent, by a tenant, the landlord shall be liable for the payment of any required fee. In the case of residential uses, the fee shall only be collected on occupied units. To be billed for less than the full number of units, the landlord must deliver to the Director of Finance an affidavit stating the total number of occupied units. The following deadlines will be required for this affidavit:

January 1 billing deadline:	December 15
April 1 billing deadline:	March 15
July 1 billing deadline:	June 15
October 1 billing deadline:	September 15

Where the deadline date falls on a weekend or holiday, the deadline will be the next business day. These affidavits must be received in the Finance Department office, or have the deadline date postmark.

(2) NON-RESIDENTIAL. In the case of leased or rented premises which are used for any non-residential purposes, by a tenant, the tenant shall be liable for payment of any required fee.

(3) MIXED USE RESIDENTIAL PROJECTS. Where a property is eligible for a one time in-lieu fee for a mixed-use residential project, the property owner shall be liable for the fee, and the fee shall be paid at the time of the issuance of a building permit.

SECTION 4. QUARTERLY CHARGES. The fee shall be imposed, and shall be paid quarterly (four times per year) by the person who is liable for the fee when the fee is due. The fee shall be imposed no more than four times per year with respect to any particular business premises.

SECTION 5. DUE DATES FOR PAYMENT OF FEES. The first fee shall be due and payable in full on July 1 of each year; the second fee shall be due and payable on October 1 of each year; the third fee shall be due and payable on January 1 of each year; and the fourth fee shall be due and payable on April 1 of each year. If the due date falls on a Saturday, Sunday or holiday, then the payment is due on the next business day.

Resolution No. NS-23,559

SECTION 6. LATE PAYMENT PENALTIES. If the fee is not paid within thirty (30) days after the due date, a ten percent (10%) penalty shall be added to the fee, and if the fee is not paid within sixty (60) days after the due date, a twenty percent (20%) penalty shall be added.

SECTION 7. COMPUTATION OF PARKING DEFICIENCY FEES.

(a) The Director of Public Works, or the Director's designated subordinates, shall first determine the parking space deficiency for each business premise which is liable for the fee, and shall provide such information to the Director of Finance, or the Director's designated subordinate.

(b) The Director of Finance, or the Director's designated subordinate, shall determine the fee for each person subject to the fee, with respect to each business premise, by multiplying the parking fee rate by the parking space deficiency for each business premise.

SECTION 8. PARKING SPACE DEFICIENCY.

(a) The parking space deficiency for any business premise shall be computed as follows:

(1) First, determine the number of off-street parking spaces that would be required for the business premise or residential use under Santa Cruz Municipal Code Title 24 (Zoning Ordinance), Chapter 24.12 as modified in subsection (b), below, where the owner or occupant of such premise is required to provide such off-street parking spaces on the date the fee is due.

(2) Second, subtract therefrom the number of off-street parking spaces actually being provided for the premise by the owner or occupant of the premise, in conformity with the requirements of Chapter 24.12; include in the subtracted number only such spaces as are open to the public free of charge, or provided to residents when the fee is being calculated on residential uses.

(3) The number obtained by this subtraction is the parking space deficiency for the premise.

(b) For the purpose of computing the parking space deficiency, the requirements of Chapter 24.12 shall be modified below. These modifications incorporate shared parking standards, and do not constitute the ability to gain additional parking space reductions under Chapter 24.12 of the Zoning Ordinance.

Resolution No. NS-23,559

(1) All parking space requirements computed in Chapter 24.12.200 with relation to the number of seats shall be computed on the basis of one space for each four hundred (400) square feet of gross floor area.

(2) Existing or reconstructed residential, hotel, or mixed use residential uses shall pay fees based on the following standards:

Affordable Single room occupancy (SRO) Unit:	0.25 space/unit
Market Rate SRO Unit:	0.25 space/unit
Affordable Multiple-family Dwelling Unit:	0.25 space/unit
Market Rate Multiple-family Dwelling Unit:	0.25 space/unit

(3) New market rate residential units, or new market rate residential units added to existing structures, shall pay fees based on the following standards:

Affordable SRO Unit:	0.25 space/unit
Market Rate SRO Unit:	0.50 space/unit
Single-family Unit (townhouses included):	1.0 space/bedroom
Multiple-family Dwelling Unit:	1.0 space/bedroom

(4) Medical and dental offices in excess of 1,200 square feet shall be computed on the basis of one space for each two hundred square feet (200 s.f.) of gross floor area, with a maximum of five spaces for each practitioner, based on a maximum number of full-time equivalent practitioners at any given time.

Sole medical practitioners, with a maximum of one full-time equivalent doctor and 1,200 square feet or less office area, will be assessed parking deficiency fees based on the following standard: 1) 1 space/300 s.f. beginning July 1, 1995, and, 2) 1 space/400 s.f. beginning July 1, 1996 and thereafter.

(5) Retail stores, shops, service establishments, including shopping centers other than furniture and appliance stores shall be computed on the basis of one space for each four hundred square feet (400 s.f.) of gross floor area.

(6) Restaurants and other establishments selling food and beverages on the premises (including bars and nightclubs with live entertainment) shall be computed on the basis of one space for each four hundred square feet (400 s.f.) of gross floor area.

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(7) Special events operating at City of Santa Cruz Parking District lots with a frequency of at least once a month shall pay deficiency fees. Special events shall be computed on the basis of one space for each 400 square feet (400 s.f.) of parking lot area used, adjusted for the number of hours the special event uses the public parking lot.

(8) Business and professional offices, excluding medical and dental offices shall be computed on the basis of one space for each four hundred (400 s.f.) of gross floor area.

(9) Food carts on private property and the four (4) kiosks on Pacific Avenue shall be computed on the basis of .25 space for each food cart or kiosk.

SECTION 9. OFF-STREET PARKING REQUIREMENTS. For the purpose of providing off-street parking, the requirements of Chapter 24.12 are modified as follows:

(a) RESIDENTIAL DEVELOPMENT DEFICIENCY FEE OPTION. If the decision-making body finds that Parking District No. 1 is capable of providing adequate parking for new dwelling units, or new dwelling units added to existing uses, in the vicinity of the project, and within Parking District No. 1, the developer shall have the option of paying a fee rather than providing off-street parking. The developer shall include in all tenant leases a disclosure statement stating that Parking District No. 1 cannot guarantee dedicated parking for residents of the new dwelling units.

(b) RESIDENTIAL OFF-STREET PARKING REQUIREMENTS. When new dwelling units, or dwelling units added to existing structures, cannot be accommodated within Parking District No. 1's existing parking supply, and their parking requirements differ from the Zoning Ordinance, the developer shall provide on-site, off-street parking based on the following requirements:

Affordable SRO Unit:	0.25 space/unit
Market rate SRO Unit:	0.50 space/unit
Single-family Unit (townhouses included):	1.0 space/bedroom
Multiple-family Dwelling Units:	1.0 space/bedroom

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(c) ONE TIME IN-LIEU FEE FOR MIXED USE RESIDENTIAL PROJECTS.

Where a project cannot meet its on-site parking requirement, and where Public Works staff and the Downtown Commission are able to determine that there is public benefit in allowing such a project to proceed, even though its anticipated parking demand cannot be served in public parking facilities, the property owner of a mixed use residential project may be allowed to proceed with the project by paying a one time in-lieu fee. Such a finding shall be made using the following criteria;

(1) Lots fronting on Pacific Avenue should be primary candidates for this option because the Downtown Recovery Plan discourages the provision of on-site parking along Pacific Avenue, and

(2) This option shall be available to lots narrower than 55 feet with an area less than 10,000 square feet, as a general rule. The Director of Public Works may recommend to the Downtown Commission that larger lots be considered for this option on a case-by-case basis. Reasons for such consideration shall be reviewed and approved by the Downtown Commission, which shall make a formal recommendation to the decision making body.

(d) REPLACEMENT RESIDENTIAL PARKING CREDIT. Notwithstanding the above residential parking requirements, it is determined that parking is adequate for new units, replacement units, reconstructed units, and new units added to existing uses, until design permits have been issued for the replacement of one hundred forty eight (148) bedrooms lost during the October 17, 1989 Loma Prieta Earthquake.

SECTION 10. PARKING RATES.

(a) DEFICIENCY FEE RATES. The deficiency fee for the first 400,000 square feet of replacement buildings which receive building permits is currently \$364.64 per space per year. On July 1, 1998, that fee will increase 3% to \$375.58 per space per year. It will continue to increase at 3% each year until it reaches a cap of \$425.

Effective November 25, 1997, the deficiency fee for new square footage, that is square footage above and beyond the 400,000 square feet of replacement buildings, is hereby established at \$425 per space per year.

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(b) ONE TIME IN-LIEU FEE RATE. Where the Downtown Commission and the decision making body determine that a one time in-lieu fee is appropriate for a mixed-use residential project, the in-lieu fee for both affordable and market rate units shall be paid at the following rate:

SRO Unit:	\$ 8,000.00/unit
Efficiency Unit:	\$ 8,000.00/unit
Multiple Unit - one bedroom:	\$ 8,000.00/unit
Multiple Unit - two bedroom:	\$10,500.00/unit
Multiple Unit - three bedroom:	\$13,000.00/unit

SECTION 11. PURPOSES AND PROCEEDS. The purpose of this resolution is to provide revenue for Parking District No. 1 to assist in meeting bond payments. The proceeds of the fees herein fixed shall be deposited in the Bond Fund created by Section 30 of Resolution No. NS-2757, a resolution providing for issuance of bonds, adopted September 4, 1957, and applied to the purposes therein provided. Any excess not required for the purposes stated in said bond resolution shall be deposited in the Bond Fund created by subsequent bond resolutions authorizing the issuance of additional bonds for Parking District No. 1, and shall be applied to the purposes therein provided. Any excess thereafter shall be applied to enforcement, maintenance and other operating costs of Parking District No. 1.

SECTION 12. COLLECTION AND ENFORCEMENT. The Director of Finance may adopt such billing procedures as are appropriate to the prompt and effective collection of the Parking Deficiency Fee. Collection of delinquent fees may be made and enforced in the same manner that provides for the collection and enforcement of the Business License Tax, and in any other manner provided or permitted by law.

SECTION 13. ADMINISTRATIVE REGULATIONS. The Director of Finance may adopt regulations consistent with the provisions of this resolution, whenever necessary or convenient, for the proper administration of this resolution.

SECTION 14. EFFECTIVE DATE. This resolution shall take effect immediately upon the date of its adoption.

SECTION 15 ARBITRATION. The Director of Public Works, or the Director's delegated subordinates, shall have the administrative authority to review deficiency fee billings which are contested by the person or party who is liable for the deficiency fee payment. The contesting person or party must notify the Director of Finance, or

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delegated subordinates, in writing within 10 days of the parking deficiency fee billing due date.

BE IT FURTHER RESOLVED that Resolution No. NS-23,188 is hereby rescinded.

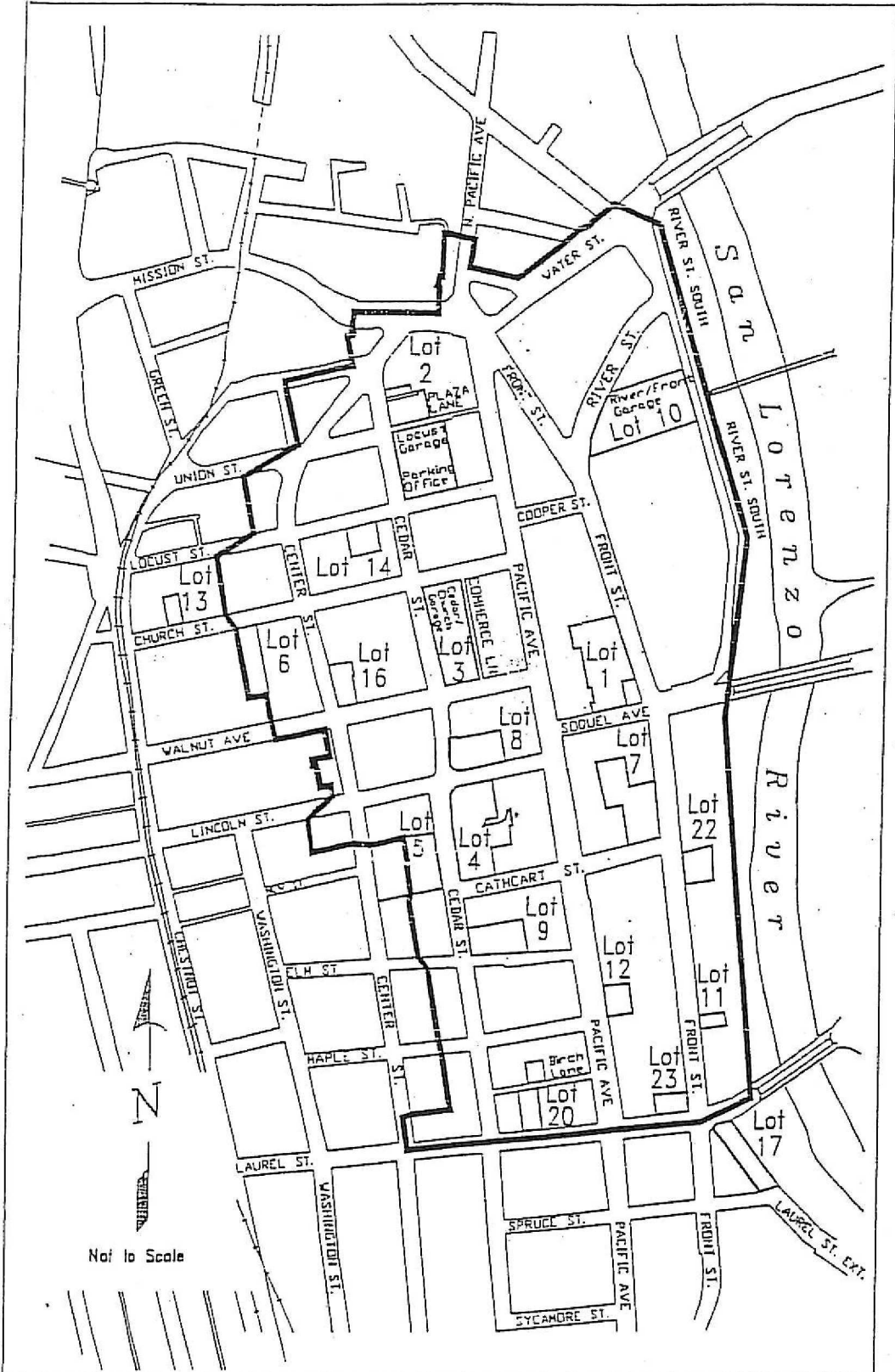
PASSED AND ADOPTED this 25th day of November, 1997, by the following vote:

AYES:	Councilmembers:	Kennedy, Campbell, Beiers, Hernandez, Rotkin, Scott; Mayor Mathews.
NOES:	Councilmembers	None.
ABSENT:	Councilmembers	None.
DISQUALIFIED:	Councilmembers:	None.

APPROVED: Cynthia Mathews
Mayor

ATTEST: Kemma Solder
City Clerk

City of Santa Cruz Downtown Parking District Public Parking Facilities



Legend

Parking District Boundary —

Lot No.