

STAFF REPORT
City of Lancaster

PH 2
09/27/16
MVB

Date: September 27, 2016

To: Mayor Parris and City Council Members

From: Brian S. Ludicke, Planning Director

Subject: **Amendment to Title 17 of the Lancaster Municipal Code to Delete Minimum Off-street Parking Requirements in the C (Commercial) and CPD (Commercial Planned Development) Zones**

Recommendation:

Introduce **Ordinance No. 1016**, amending Title 17 of the Lancaster Municipal Code by deleting minimum off-street parking requirements in the C (Commercial) and CPD (Commercial Planned Development) zones.

Fiscal Impact:

None.

Background:

The City of Lancaster, like most municipalities, has established minimum requirements for off-street parking. Generally, new developments, and new uses at existing locations, are required to provide off-street parking in accordance with these requirements. Provisions also exist for the City to provide adjustments to the amount of required parking to accommodate issues such as daytime vs. evening/nighttime use. Exceptions exist for specific circumstances, such as development or establishment of new uses in the City's downtown area, where the existence of public parking (both on-street and in off-street parking lots) is considered to meet the parking requirements.

City staff has been in discussion with Planning Commission for a number of months regarding the current approach to parking requirements in the City's commercial zones, with an emphasis on the effects that such requirements have on the City's economic situation and development pattern. These issues were evaluated at some length at the Commission's meeting of March 21, 2016, with a staff memorandum (see attached) providing the basis for this evaluation. On May 16, 2016, the Commission voted to direct staff to prepare an ordinance to remove the minimum parking requirement. On August 15, 2016, the Commission voted to recommend to the City Council elimination of minimum parking requirements in the City's C and CPD zones.

The proposed amendment to Title 17 would eliminate the current off-street parking ratio requirements in the C and CPD zones. In place of these, the ordinance would establish that responsibility for determination of the number of off-street parking spaces rests with the developer, property owner, or authorized agent. The one exception to this is for assembly uses, such as churches, which at this point would remain subject to Director's Review, primarily because these uses have the potential to create high demand within relatively short periods of time. To the extent that on-site parking is provided, it would still need to meet City requirements for surfacing and marking of spaces.

The primary reason for proposing this change is to shift the determination of off-street parking need from a calculation based on an arbitrary concept of "convenience" to one more grounded in the realities of market demand. In recommending this approach, staff has concluded that, despite good intentions, the City's regulatory approach has far more potential for negative outcomes than placing this responsibility in the hands of the private market. In summary, the key factors supporting this change are as follows:

- **Parking Should be Viewed in Economic Terms:** Providing sufficient, but not excessive, off-street parking is vital to the economic success of private commercial enterprises. Parking must meet expected customer demand for availability and convenience, but excessive, little-used parking spaces carry a definite cost, both in terms of the land needed to build them and the costs to maintain them. Ultimately, of course, parking is not "free" in any sense – its costs are simply bundled into the overall costs of goods or services provided by a commercial business. The private sector is in far better position to make these determinations than is the City.
- **Parking Requirements of Tenants take Precedence:** In researching this issue, staff found great significance in the fact that most private business enterprises understand very well how much parking they need, as a cursory look at site requirements for various chain establishments will verify. Further, in speaking with several developers/managers of commercial centers, they noted to staff that the tenants' requirements outweigh the City's. As one center developer put it succinctly: "The City's parking requirements can't help us, but they could hurt us if they exceed what the tenant actually needs".
- **Minimum Parking Requirements Limit Flexibility and Options:** This is a significant consideration as the City seeks to maximize economic return. Commercial tenants, of course, place great value on being in the "right" location, and have shown that they are willing to be flexible in their own off-street parking demands in order to secure a valuable location. From staff's perspective, there is no long-term value to keeping such sites vacant or unoccupied if a tenant is willing to accept the physical constraints, since they must consider the issues of customer convenience vs. value of location in their economic evaluation. Providing flexibility on off-street parking opens more options for development and utilization of under-used parking, particularly along the street frontages of commercial centers. In the long-term, more efficient utilization of land is also good for the City, providing a greater amount of tax base and employment opportunities.

- **Minimum Parking Requirements Limit Use of Older Buildings:** As noted previously, buildings and commercial centers in the City have been constructed under numerous and varying parking requirements. While the City's development codes attempt to provide administrative relief for occupancy of older buildings, such processes still require staff or, in some cases, the Planning Commission to make a determination on approval. The result of this approach is that older buildings or centers, which often face a variety of challenges, operate under a lack of certainty for tenants, further limiting investment and potential economic return. While staff and the Commission are generally open to modification of parking requirements, removal of the minimum parking requirements would send a clear message regarding City policy for these areas. Again, staff believes if the private sector is willing to risk investment in such locations, the City should allow such risks to be taken, since the potential upside would seem to outweigh maintaining the status quo.

Staff recommends that the Council introduce the Ordinance eliminating minimum parking requirements in the City's C and CPD zones.

Attachments:

Ordinance No. 1016

Planning Commission Staff Report dated August 15, 2016

Planning Commission Memorandum dated May 16, 2016

Planning Commission Memorandum dated March 21, 2016