SUPPLEMENTAL REPORT – Revised Recommendation and Policy

DATE: December 13, 2013

SUBJECT: Reduced Parking Policy for Site Plan Office Buildings and Related Recommendations

C.M. RECOMMENDATION:


2. Adopt the Reduced Parking Policy for Site Plan Office Buildings as set forth as Attachment 2 (Revised) and attached to this report.

3. Direct the County Manager to develop a work plan and implementation schedule to address the recommendations from the Commercial Parking Working Group and the Planning Commission:
   a. Evaluate managed parking and shared off-site parking and develop a policy defining the circumstances in which these techniques and other parking best practices should be used;
   b. Monitor and assess the costs and benefits of using a more rigorous and refined parking supply and demand estimation tool to establish parking ratios;
   c. Perform a technical review of the proposed policy every 5 years, with a full review every 10 years; and
   d. Consider revising the office parking requirements in the Zoning Ordinance based on the results and analysis of the monitoring studies, actual performance in the field, community comment and staff’s technical review.
   e. Initiate a parallel study of parking requirements in residential site plan developments.

County Manager: BMD/AA

County Attorney: [Signature]

Staff: Sarah Stott, DES
      Dennis Leach, DES
      Bob Duffy, CPHD
DISCUSSION: At their meeting on December 2, 2013, the Planning Commission recommended the following changes to the County Manager’s recommendation:

1. Amend the policy set forth in Attachment 2, Figure 2, to read “Figure 2: Mitigation amount per reduced space over 30 years the life of the building or site plan, whichever is less”.
2. Direct the County Manager to initiate a parallel study of parking requirements in residential site plan developments, within the next 24 months.

Staff does not support the Planning Commission’s first modification. Staff recommends that the mitigation contribution, unless paid upfront for necessary capital expenses, last for thirty years. Staff’s recommended that the Policy include a 30 year time frame for non-capital mitigating programs and services is based on the following: 1) the operating life of an office building before considerable capital improvements (and possible need for a site plan amendment) is considered to be 30 years; 2) it is likely that commuter patterns will change over time and thus impact the need for mitigation; and 3) many other site plan conditions, including the TDM standard conditions, are for 30 years.

Based on comments from the Planning Commission, the Policy is being updated to clarify the calculation of the mitigation contribution. The attached version of the Policy explains how the Consumer Price Index adjustment is based on the first annual payment and includes an estimated total contribution with adjustments for inflation over 30 years.

Development of a Reduced Parking Policy for Site Plan Residential Buildings will be included in a future work plan, per the recommendations of the Commercial Parking Working Group. It is not apparent whether the Reduced Parking Policy for Site Plan Residential Buildings will be initiated within the next 24 months. The timing of such a study will be included in the work plan and implementation schedule.
Attachment 2 (Revised)
Reduced Parking Policy for Site Plan Office Buildings
Arlington County, Virginia

Arlington County’s multi-modal transportation environment requires a sharing of responsibilities for infrastructure and operations by the public sector and private sector to ensure an effective balance of modal transportation system use and sustainability.

The new Reduced Office Parking Policy for Site Plan Office Buildings (“Policy”) acknowledges changes that are taking place within the County. These include changing market conditions for the development industry as well as changes in the way employees are commuting to work. This policy brings additional flexibility to the County’s site plan process to enabling less parking to be built than was previously allowed but which while still meetings the project’s parking demand. It assures that incentives are in place to increase the use of alternative modes of transportation and that infrastructure is in place for transit, bicycling and walking to support those who use these alternates instead of automobile parking.

This commuting pattern change, from automobile usage to transit, shifts the transportation cost burden for those commuters from the private sector to the public sector. The purpose of the Policy is to provide a clear and consistent methodology that enables the private sector to build its preferred amount of parking while mitigating the impacts on the community of this shift to more office workers traveling to and from office buildings via methods other than single occupancy vehicle trips.

The Policy is a voluntary program which implements Policy 6 of the Master Transportation Plan Parking and Curb Space Management Element: “Ensure that minimum parking needs are met and excessive parking is not built. Divert resources saved by reducing excess off-street parking to other community benefits.” The Policy provides a methodology whereby a developer of site plan office buildings or the office portion of a mixed-use project, can propose a parking ratio that is results in less parking than the amount identified by the County as being adequate (with usual TDM measures and site plan conditions), to meet the needs of the project (recognized “starting point”). The mitigation measures would offset increased transportation costs that result from reduced single occupant vehicle (SOV) trips and increased use of other modes of transportation. If a parking ratio at or above the starting point is proposed, the developer is would still be responsible for providing the standard contribution toward transportation demand management and transportation infrastructure and services as described in the project’s approved conditions.

Using the methodology below as its general standard, County staff will continue to perform an analysis of each proposal for the adequacy of parking and mitigation given the location, the proposed ratio and other specifics for the project. In certain cases, such as conflicts with other County policies or goals or unusual site or project characteristics, ratios derived from the methodology below may not be appropriate for a particular project. Based on the analysis of the individual property, development or other factors, staff could recommend a departure from the strict application of the policy for a particular project.
The Methodology
The Policy is applicable in areas of the County where office buildings may be developed using the site plan process (Figure 1). The Policy methodology uses one of three parking ratios as starting points for mitigation, based on depending upon the location of the project. These starting points are based on the current practice of the amount of parking approved for office site plan buildings which reflects the market, and parking needs in a particular area for particular uses. In the areas of Rosslyn and Crystal City that are eligible for rezoning to “C-O-Rosslyn” and “C-O-Crystal City,” mitigation would begin where the developer proposes to build less parking than yielded by a parking ratio of one parking space per 1,000 s.f. of office gross floor area (1:1,000.) In Pentagon City mitigation would begin at a parking ratio of 1:975. Mitigation for all other site plan areas would begin at a parking ratio of 1:630.

The amount of contribution is based on the amount of reduction below the starting points listed in Figure 2. There are three tiers of contribution based on the extent of reduction below the starting ratio: $242 per space for the first year ($7,250 per reduced space over 30 years) for the first increment of reduction (Tier 1) using 2013 dollars 1, $417 per space for the first year ($12,500 per reduced space over 30 years) for the next increment (Tier 2) using 2013 dollars and $1,333 per space for the first year ($40,000 per reduced space over 30 years) for the 3rd tier using 2013 dollars. In Zoning districts where the regulations provide that a project “earns” additional density by the provision of “community benefits,” the parking contribution would address only the amelioration of the effect of reduced parking; it would not contribute to achieving additional density.

1 The adjusted 30 year amounts for inflation assuming an annual rate of one percent (1%) based on the October 2013 Bureau of Labor statistics CPI-U would be $8,418 per space for tier 1, $14,505 per space for tier 2 and $46,368 per space for tier 2.
Figure 2: Mitigation amount per reduced space over 30 years

<table>
<thead>
<tr>
<th>Tier 1</th>
<th>Tier 2</th>
<th>Tier 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mitigation amt per reduced space:</td>
<td>$7,250*</td>
<td>$12,500*</td>
</tr>
<tr>
<td>($24,524 per 1st yr)</td>
<td>($42,042 per 1st yr)</td>
<td>($1,333 per 1st yr)</td>
</tr>
<tr>
<td>Ratio Starting Point</td>
<td>1:630</td>
<td>1:630 - 1:780</td>
</tr>
<tr>
<td>1:975</td>
<td>1:975 - 1:1,100</td>
<td>1:1,101 - 1:1,800</td>
</tr>
<tr>
<td>1:1,000</td>
<td>1:1,000 - 1:1,200</td>
<td>1:1,201 - 1:1,900</td>
</tr>
<tr>
<td>less than 1:1,001</td>
<td>Less than 1:1,801</td>
<td>less than 1:1,901</td>
</tr>
</tbody>
</table>

* The amounts would be adjusted annually for inflation by the U.S. Dept of Labor CPI Inflation Calculator beginning with the second payment.

For clarification, two examples follow. Examples #1 and #2 show how the mitigation contribution would be calculated, in two situations, for a “typical” 300,000 square foot site plan office building located in the Rosslyn-Ballston Corridor outside of “C-O-Rosslyn.” For the purpose of these illustrations, the building is assumed to have 110 spaces per parking level. A parking ratio of 1 space per 630 sq. ft, for this building, would require 476 spaces.

**Example #1**

A developer proposes a 300,000 square foot office building by site plan. The developer proposes to build 4 levels of underground parking, achieving a total of 440 spaces. This would result in a parking ratio of 1:682 and results in 36 fewer spaces within reduced parking level 1.

Result: The developer would be required to meet the base TDM and transportation infrastructure standard site plan conditions. The developer would also contribute $261,000 (in 2013 dollars, $303,045 annually adjusted for inflation) in additional mitigation costs (36 spaces under 1:630 X $7,250 or $8,414 per space).

**Example #2**

A developer proposes a 300,000 square foot office building by site plan. The developer proposes to build 3 levels of underground parking, achieving a total of 330 spaces. This would result in a parking ratio of 1:909, and results in a total of 146 fewer spaces, 91 spaces within reduced parking level tier 1, and 55 fewer spaces within reduced parking level tier 2.

Result: The developer would have the base TDM and transportation infrastructure standard site plan conditions. The developer also contributes $1,563,813 in total dollars adjusted for inflation based on $766,038 X $1,058,500 in for the first tier mitigation costs (14691 spaces under 1:630 X $7,250 or $8,414 per space) and $797,775 X $288,750 in additional TDM measures the second tier mitigation costs (55 spaces under 1:780 X $7,250 or $8,414 per space).

The mitigation contribution would be used either for transportation demand management (TDM) programs for the specific property, for operating costs for transit that serves the property and/or for transportation infrastructure supporting transit, biking and walking serving the property. The decision regarding which of the mitigating programs is used will be based on the site characteristics of the building, and the need for infrastructure in the area. Contributions for transit operating and TDM programs would be spent over 30 years to assure on-going support of employees who choose not to
drive alone, and Transit, bike and walk infrastructure will generally have to be completed and paid for before occupancy, so that the occupants have the facilities they need in order to comfortably get to and from work using these modes. Contributions towards transportation infrastructure could either be made before building occupancy or over time depending on the circumstance. The required programs and the percentages of contribution for capital costs, TDM measures, and transit operations, as well as whether transportation capital would be contributed over time or at one time, would be documented in a site plan condition. The mitigation strategies would be documented in the Transportation Management Plan approved before the Shell and Core Certificate of Occupancy.

This policy would be applied to all site plan projects accepted by the County Manager on or after December 14, 2013. A mitigation contribution would not be applied to site plan projects within Phased Development Site Plans where parking is provided in accordance with a ratio that was expressly approved in the PDSP at a ratio lower than the standard ratio set forth above. Also, in the event the County requested that a developer provide less parking than the developer proposed, and the developer agreed, no mitigation contribution would be expected for the reduction from the developer-proposed ratio, as requested by the County.