

Public Parking Opportunities in Town Center: Considering Payment-in-Lieu Amendments to Land Use Management Ordinance, Town Code, and Other Policies.

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Department:

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Overview: The Town's goal of economic and financial sustainability includes an objective of making downtown Chapel Hill a destination with diverse options for work, living and play. Staff has explored initiatives to invest in downtown infrastructure to support private businesses and residences. One way the Town Council can support these initiatives is to expand public parking opportunities.



Recommendation(s):

That the Council open the legislative hearing, receive comments, and recess the public hearing to October 27, 2021.

Decision Points:

- Creating downtown parking requirements for different land uses
- Establishing an initiation fee per space and monthly rental
- Establishing an annual audit and bi-annual look-back

Key Issues:

- A [2018 parking study](#)¹ has shown the future demand for additional parking spaces.
- At the [February 6, 2019](#)² Council Work Session, Council expressed interest in staff drafting an ordinance that would create an alternate to private parking for new development. Due to work load, staff has not been able to dedicate significant time to this effort until recently.
- Creating urban parking standards for Town Center zoning district
- Applying the standard to development projects with Council entitlement, which would be expected to provide a payment-in-lieu to the Town's Parking Fund for a minimum of 50 percent of the required parking spaces

Fiscal Impact/Resources: We project that if adopted we could see up to \$2 million in initiation fees from new development in the next few years. This would be capital for future parking projects.

Where is this item in its process?



¹ <https://www.townofchapelhill.org/home/showdocument?id=49750&isPublished=False&t=637672895533570627>

² <https://chapelhill.legistar.com/LegislationDetail.aspx?ID=3852082&GUID=8BE4828A-8FD4-4B4B-9716-ED3A5107406F&Options=&Search=>

**Attachments:**

- Technical Report
- Draft Staff Presentation (*to be distributed*)
- Resolution A, Resolution of Consistency
- Ordinance A, Amending the Land Use Management Ordinance
- Ordinance B, Amending Town Code Chapter 11A Off-Street Parking
- Resolution B, Council Parking Expectation Policy



TECHNICAL REPORT

PROJECT OVERVIEW

The Town of Chapel Hill is committed to providing needed parking as a local municipality and encourage better land-use downtown. The proposed changes to the Land Use Management Ordinance and Town Code will help shape the land use pattern by consolidating parking areas from small surface level lots into larger structured parking decks. The Town of Chapel Hill believes that better parking policies can improve and shape the Town's downtown.

TERMS

The parking payment-in-lieu program would apply to all projects seeking Council entitlement, either through a Development Agreement, Zoning, or Special Use Permit. The Parking Payment-in-Lieu Program Ordinance would have two sections: 1) initiation fee and monthly lease; 2) Parking requirements.

- 1) Initiation fee and monthly lease
 - a. Initiation fee of \$10,000 (for the 2022 budget year) per space. Payment would be required prior to issuance of a Zoning Final Inspection.
 - b. Building owner or tenant is responsible for lease once the initiation fee is paid. Prior to issuance of a Zoning Compliance Permit, the designated responsible party would be determined. Uses including multi-family residential, hospitality, and office would be committing to a monthly rental (currently \$125 for 12 hours and \$175 for 24 hours). Rates are based on annual rates as set by the Town of Chapel Hill each July.
- 2) Parking Requirement - Presently, within the Town Center zoning districts, parking standards are only applicable to the maximum parking requirements. There are no parking minimum standards within the Town Center zoning districts. Ordinance A would add the following Downtown parking requirements to the Land Use Management Ordinance:

Downtown Parking Requirements

Use	Standard
Dwelling units, multifamily	0.85 spaces per bed
Hotel or motel	1 space per room
Business, Office-type including clinic	3.5 spaces per 1,000 sq. ft.
Business, Convenience and Business, General - retail uses	2.75 spaces per 1,000 sq. ft.
Business, Convenience - Eating and Drinking Establishments	8 spaces per 1,000 sq. ft.

Any uses that are not covered, that desires to located downtown, can discuss with the Town Manager regarding projection of demand based on specialized use type. Shared parking policy should be developed and shared with future building owners. All space would be presumed to be for 12-hour periods.

- 3) Annual Updates – Town staff will conduct annual updates to Town Council providing financial details and user information. The program will be reviewed after two years and five years with a detailed reporting to Council at that time.

TOWN CODE UPDATE

The Town Code of Ordinances Chapter 11A Off-Street Parking establishes a Parking Fund to receive all money paid to the Town in meeting the off-street parking requirements in Town Center zoning districts. The funds in this account shall be used for provision of additional off-street parking; acquisition of land for such parking; development of land to make it suitable for parking; replacing parking structures on existing municipal parking lots; and similar related purposes. The proposed amendments to this section of the Town Code are as follows:

Sec. 11A-1. - Town Center Districts, Off-Street Parking Fund—Established of the Town Code of Ordinances is hereby revised to read as follows:

"There is hereby established a fund to be entitled Town ~~Clerk~~ Center Districts Off-Street Parking Fund."

Sec. 11A-3. - Determination of payments to fund of the Town Code of Ordinances is hereby revised to read as follows:

"The ~~cost~~ amount for payment-in-lieu of providing required parking per space shall be ~~three thousand six hundred dollars (\$3,600.00)~~ as outlined in the fee schedule, computed according to fractional spaces required."

TOWN PARKING POLICY

The attached Resolution for a Council policy on Parking Payment-in-Lieu indicates that a Council expectation that a minimum of 50 percent of the parking required by a development project would be provided with a payment-in-lieu to the Town's Parking Fund.