



CHAMBER
of
COMMERCE

November 26, 2019

Honorable Mayor and City Council
Beverly Hills City Hall
455 N. Rexford Drive
Beverly Hills, CA 90210

Dear Honorable Mayor Mirisch and Members of the Beverly Hills City Council:

The Beverly Hills Chamber of Commerce writes to you in support of efforts to reduce parking requirements and adjust the in lieu parking program in the City of Beverly Hills. We first want to thank the City Council for raising this important issue.

Our number one recommendation is that the City lower parking requirements for new and existing businesses in the City. As detailed in our recent presentation of the recommendations of the Small Business Task Force and in the attached chart and article, the City's parking requirements are significantly higher than neighboring cities for several types of establishments. In their reduction of parking requirements, our neighboring cities have already recognized the growth of ride-hailing and other driving alternatives, and have made it easier to attract restaurants, bars, and lifestyle retail. Our higher parking requirements represent a competitive disadvantage to our City in attracting and retaining these types of businesses. These requirements have been a burden to restaurants succeeding and are a deterrent to those not only wanting to bring new and exciting concepts to the City but also remain and expand within the City.

As we continue to explore efforts at multi-model alternatives through adoption of a Complete Streets Plan, the City should continue to explore ways to ensure the vibrancy of our business districts and ensure that parking requirements align and are updated to take account of new developments and priorities.

Second, we are also supportive of efforts to adjust the City's in-lieu parking requirements to make them more business friendly. Specifically, we support options outlined in a recent City staff report to change the in-lieu parking program and related laws to: (1) change the parking requirements for restaurants to that of the general rate of 1 parking space per 350 square feet of floor space; (2) charge one in-lieu fee for any restaurant use (at a rate consistent with the more affordable expansion in-lieu fee); (3) reduce in-lieu parking fees for new restaurants; and/or (4) allow sites greater than 16,000 square feet to participate in the in-lieu program.

We are also supportive of making these changes via urgency ordinance as appropriate.

These changes will help ensure that Beverly Hills remains an attractive business environment and attracts best in class businesses.

Sincerely,

A handwritten signature in black ink, appearing to read 'Todd Johnson', with a long horizontal flourish extending to the right.

Todd Johnson
President and CEO
Beverly Hills Chamber of Commerce

Attachments

Attachment A



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Parking Requirements by City (per 1,000 square feet) (numbers are approximate)

<u>Business Type</u>	<u>West Hollywood</u>		<u>Beverly Hills</u>	<u>Culver City</u>	<u>Santa Monica</u>
	<u>Old</u>	<u>New</u>			
Restaurant	9	3.5	22	10	5
Retail	3.5	2	2.9	2.9	3.3
Gym	10	3	10	5	3.3

Attachment B

How much did West Hollywood cut commercial parking requirements?

By David Warren | Business, Transportation | 13 December 2018

*[Note: Article available at <http://wehobythenumbers.com/2018/12/13/how-much-did-west-hollywood-cut-commercial-parking-requirements/>]

Short answer: 0% to 70% depending on the type of business and up to 100% for some businesses moving into smaller spaces

West Hollywood, like many cities, requires new businesses and new developments with commercial space to provide a minimum amount of commercial off-street parking. The business or developer can provide more than the minimum if they want. The parking can be on-site, in a nearby lot, or in City-owned parking. The minimum is based on the type of business and its physical size. A bar needs more parking spaces than a retail shop of the same square footage.

West Hollywood recently decided to cut the minimums. It was an important decision. If the minimums are too high, they may hurt economic development and keep storefronts empty. If they're too low, more visitors and workers may park in residential neighborhoods (especially during the day) and some visitors might avoid West Hollywood. The City is trying to find the right balance.

Cuts by type of business

Parking requirements are being reduced in two ways. First, the minimum number of spaces is being cut up to 70% for most types of businesses. For example, the City is cutting the minimum from 15 spaces per 1,000 square feet for bars to 5, 10 to 3 for gyms, 9 to 3.5 for restaurants, 4 to 2 for personal training facilities, and 3.5 to 2 for general retail (including grocery stores). The requirement for hotels is going from 1 to 0.5 per room.

	GENERAL RETAIL	HEALTH/FITNESS FACILITIES	PERSONAL HEALTH/FITNESS FACILITIES	HOTELS	NIGHT CLUBS/BARS	RESTAURANTS
Parking Rate Approach	PER 1000 SF	PER 1000 SF	PER 1000 SF	PER GUEST ROOM	PER 1000 SF	PER 1000 SF
CURRENT REQUIREMENTS	3.5	10	4	1	15	9
PROPOSED REQUIREMENT	2	3	2	0.5	5	3.5

Source: City of West Hollywood, staff report to the City Council, November 5, 2018.

That’s a 70% cut for gyms, 67% for bars, 61% for restaurants, 50% for hotels and personal training facilities, and 43% for general retail. The minimums aren’t being reduced for schools, childcare and adult care facilities, and service stations.

REDUCTION IN THE MINIMUM NUMBER OF COMMERCIAL OFF-STREET PARKING SPACES REQUIRED IN WEST HOLLYWOOD

type	% cut in parking minimum
Gym	70%
Bar	67%
Restaurant	61%
Hotel	50%

type	% cut in parking minimum
Personal training	50%
General retail	43%
Office	43%

Sources: City of West Hollywood; our analysis.

Cut by size of business

There is a second cut for some businesses that move into smaller, previously-occupied spaces of less than 6,000 square feet. Those businesses won't have to provide any more parking than the prior business did. That's true even if the new business is more parking-intensive or if the prior business didn't provide any parking. It's a reduction of up to 100%. It covers three-quarters of the city's smaller commercial spaces (those under 10,000 square feet).

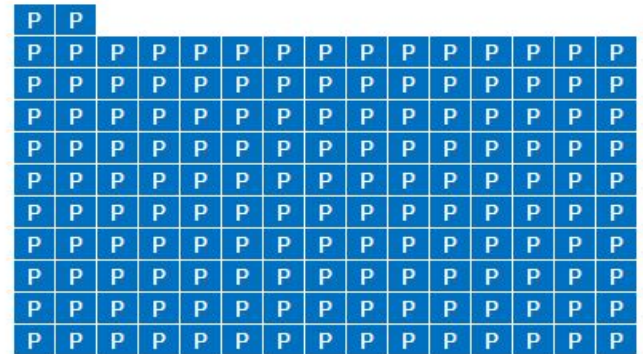
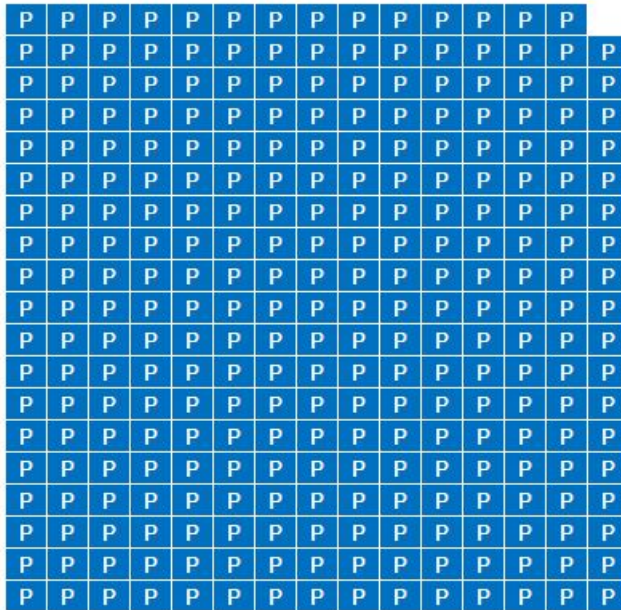
Grocery store example

We'll use a grocery store to illustrate the size of the cuts. When the current Pavilions was built, it was required to have 284 parking spaces for the store and adjacent commercial building. Today, we estimate a similarly-sized project would require roughly 152 spaces, about half as many. Whether to build more would be up to the developer.

ILLUSTRATION: PARKING REQUIRED FOR A PAVILIONS-LIKE DEVELOPMENT

Old minimum = 284

New minimum = 152 (estimated)



Sources: City staff report, November 5, 2018; City Council resolution 07-3566; Traffic Impact Study for Pavilions, February 2, 2007; our analysis.

Expected benefits

The City expects multiple economic development and other benefits. We've put them in five categories:

- **Jobs and tax revenue from new businesses:** The City believes the old parking requirements were “commonly a deal breaker for would-be businesses” thinking of entering the city.
- **Fewer vacant commercial spaces:** More businesses starting in (or moving to) the city means fewer vacant commercial spaces. Vacant storefronts, in particular, are considered undesirable.
- **Help for existing businesses:** While the changes have been described as “prospective,” existing businesses will be able to apply for a reduction in their parking requirements. It might save money for businesses that pay a private parking operator or the City for spaces. It could also allow a business with substantial unused parking to free it up for other businesses.

- **Lower development costs:** “Given the significant cost of constructing parking facilities [tens of thousands of dollars per space], particularly structured and subterranean parking, the...amendments have the potential to reduce the cost of new development in West Hollywood.” The staff report doesn’t say who will capture the benefit of lower development costs.
- **Increased sustainability and preservation:** By encouraging re-use of existing buildings, the changes may reduce demolitions and new construction, which are environmentally less desirable than re-use.

On the flip side, the City staff believes that any potential impact on residential neighborhoods can be handled through existing procedures for residents to request parking restrictions on their streets.

Justifications for lower minimums

In addition to the expected benefits, the City argues that lower minimums are appropriate on technical grounds. We can summarize their arguments as:

- The old minimums were too high because they were meant to provide ample parking in suburban areas, not the right amount of parking for an urban area like West Hollywood
- Commercial parking demand in general has declined in West Hollywood
- West Hollywood’s old minimums were higher than “most cities in our region”
- Recent studies of specific West Hollywood businesses show parking demand below the old minimums for some business types


We’ll focus on the third and fourth arguments below.

Minimums versus other cities

We compare West Hollywood’s minimums for selected business types to Beverly Hills, Culver City, Pasadena, and Santa Monica in the table below. We think the best comparisons are of West Hollywood’s standard requirements to the standard requirements in the other cities. Some of those cities have lower requirements for special areas (e.g., Downtown Santa Monica). Our perspective is that those special areas differ from West Hollywood’s situation in important ways, such as better transit service (rail) and greater separation from residential neighborhoods. That’s why we prefer the standard-to-standard comparisons.

MINIMUM NUMBER OF COMMERCIAL OFF-STREET PARKING SPACES PER 1,000 SQUARE FEET (OR PER HOTEL ROOM)

	West Hollywood		Citywide except in special areas				Old Town	Downtown
	Old	New	Beverly Hills	Culver City	Pasadena	Santa Monica	Pasadena	Santa Monica
Bar	15	5	36	10	10	20	7.5	0
Restaurant (tbl svc, 5k sq ft)	9	3.5	22	10	10	5	7.5	0
Gym	10	3	10	5	5	3.3	3.8	0
Grocery store	3.5	2	2.9	2.9	4	4	3	0
Retail (general, 2,500+ sq ft)	3.5	2	2.9	2.9	3	3.3	2.3	0
Office (non-medical)	3 - 3.5	1 - 2	2.9	2.9	3	3.3	2.3	0
Hotel (per guest room)	1	0.5	1	1+	1	1	0.75	0

 West Hollywood's old minimum was higher than Beverly Hills, Culver City, Pasadena, and Santa Monica

 West Hollywood's new minimum is lower than Beverly Hills, Culver City, Pasadena, and Santa Monica (except downtown)

Note: (1) For completeness, we have included the minimums for two special areas, Old Town Pasadena and Downtown Santa Monica, but we prefer the standard-to-standard comparisons. (2) There are no parking minimums in Downtown Santa Monica. Sources: City of West Hollywood staff report, November 5, 2018; city websites; our analysis.

The numbers suggest that:

- West Hollywood’s new minimums are lower than the other cities for all of the business types we examined. They are even lower than Pasadena’s special Old Town minimums.
- West Hollywood’s old minimums for bars, restaurants, grocery stores, and hotels weren’t the highest.
- West Hollywood’s old minimums for retail stores and non-medical offices were the highest (6% higher than the second highest).

The City’s consultant put together a similar table (see below). However, they chose to compare West Hollywood to special areas and to a number of cities outside the region. We assume their table was the basis for the argument that the City’s minimums are higher than “most cities in our region.”

Table 3. Parking Requirement Comparisons		DENSITY	GENERAL RETAIL	HEALTH/FITNESS FACILITIES	PERSONAL HEALTH/FITNESS FACILITIES	HOTELS	NIGHT CLUBS/BARS	RESTAURANTS
		PERSONS PER SQ MI.	PER 1000 SF	PER 1000 SF	PER 1000 SF	PER GUEST ROOM	PER 1000 SF dance floors not included	PER 1000 SF
WEST HOLLYWOOD CURRENT RATES		19.4	3.5	10	4	1 retail, restaurant, 6 conference uses (only) at 50% of required parking	15 28/1,000 SF for dance floors	≤1,200 SF = 3.5 >1,200 SF = 9
LOCAL PARKING DEMAND DATA WEHO PARKING STUDIES		-	2 - 4.4	Research Underway	Research Underway	0.4 - 1.5	No Data Collected	2 - 6.3
ITE REQUIREMENTS								
NATIONAL DATA PARKING DEMAND ITE PARKING GENERATION		-	1.7 - 4.8	1.8 - 11	-	0.9 - 1.6	-	3 - 12.4
COMPARISON TO OTHER CITIES								
HIGHER REQ.	BEVERLY HILLS, CA	6.0	2.9	10	5	1	36	2.9 if < 1,000 SF (up to 8,000 SF = 22) 15 if > 9,000 SF
	LAGUNA BEACH, CA	2.6	4	10	4	1 1/15 rooms up to 80% of ancillary uses + employees	10	10 (or 1/3 seats) minimum of 5 + employees
DATA DRIVEN / RIGHT-SIZE PARKING	SANTA MONICA, CA DOWNTOWN COMMUNITY PLAN AREA - MARKET-RATE	11.0	2 if ≤ 5,000 SF 3.3 if > 5,000 SF	2 if ≤ 5,000 SF 3.3 if > 5,000 SF	2 if ≤ 5,000 SF 3.3 if > 5,000 SF	0.5 + 1/250SF for banquets + 50% of required parking for ancillary uses*	2	2 if ≤ 5,000 SF 3.3 if > 5,000 SF
	PASADENA, CA OLD TOWN PASADENA	6.2	2.25	3.75	2.25	0.75 + 7.5 /1,000 SF of banquet or restaurant (up to 5,000 SF and then 2.5 /1,000 SF)	21	7.5
	BELLEVUE, WA DOWNTOWN MIXED-USE ZONE	3.8	3.3 - 5	-	2 - 3	0 - 2	10	0 - 20
	PORTLAND, OR CENTRAL CITY	4.4	1 - 2	3	2	1	4	4
MARKET DRIVEN / MIN REQ.	SAN FRANCISCO, CA	18.9	2 spaces: 5,000 - 20,000 SF then 4 /1,000 SF	5 if > 5,000 SF	2 spaces: 5,000 - 20,000 SF then 4 /1,000 SF	1 / 16 bedrooms if > 23	5 if > 5,000 SF	5 if > 5,000 SF
	SAN DIEGO, CA GASLAMP PLANNED DISTRICT	5.0	No Parking Minimums (Maximum of 1 / 400 SF for Commercial Uses)					

Notes: (1) The numbers shown for Downtown Santa Monica are actually maximums. There are no minimums. (2) We don’t know whether the cities outside the region have parking demand similar to West Hollywood. Sources: City of West Hollywood, staff report to the City Council, November 5, 2018.

Parking demand for specific West Hollywood businesses

The City’s consultant collected parking use data for a number of West Hollywood businesses. For example, the counts for restaurants ranged from 2.5 occupied spaces per 1,000 square feet at Tenmasa on the weekend to 6.3 for restaurants at 9200 Sunset on weeknights. The one grocery store studied, Trader Joe’s, used 3.2 spaces on weekdays and 4 on weekends.

	RETAIL/ RESTAURANT	LAND USE	SUPPLY	WEEKDAY PEAK DEMAND	WEEKEND PEAK DEMAND	WEEKDAY RATE / 1000 SF	WEEKEND RATE / 1000 SF
Sunset Strip	Mel's Drive-In & Westtime	Drive in Diner	41	15	21	3.2	4.5
		Drive in Diner & Retail Use (Mixed Use)	41	20	24	2.1	2.6
	State Social House, Serafina, Warren Tattoo, & Law Office	Pub, Restaurant, Retail, and Office (Mixed Use)	37	27	16	2	1.2
	Tenmasa	Sit-Down Restaurant	23	20	11	4.5	2.5
	9200 Sunset	Mixed Use (Entertainment Office + High-End Restaurant)	152	130	70	0.4	0.2
		Restaurant (after 6PM)	152	82	70	6.3	5.4
	Sunset Retail Corner	Mixed Use Retail + Café + Office	49	34	44	2.9	3.7
East Santa Monica	Trader Joes	Grocery Store	74	48	60	3.2	4
	West Hollywood Gateway	Shopping Center	1117	561	509	2.2	2

Source: City of West Hollywood.

The consultant also reported a range for three types of businesses, based on West Hollywood parking studies. The ranges were 2 to 6.3 spaces per 1,000 square feet for restaurants, 2 to 4.4 for retail (including grocery stores), and 0.4 to 1.5 per guest room for hotels.

Minimums chosen

Based on their work, the consultant recommended a “data-driven/right-size” range for at least five business types. They were 5 to 10 for bars, 3.5 to 6.5 for restaurants, 3 to 5 for gyms, 2 to 3.5 for retail, and 0.5 to 0.85 for hotels. The top ends of the retail and hotel ranges were lower than the study results. The restaurant range was higher than the study results.

EVOLUTION OF THE DATA-DRIVEN MINIMUMS

	<u>West Hollywood parking studies</u>		<u>Consultant's recommendation</u>		<u>City's new minimum</u>
Bar			5 - 10		5
Restaurant	2 - 6.3		3.5 - 6.5		3.5
Gym			3 - 5		3
Retail	2 - 4.4		2 - 3.5		2
Hotel	0.4 - 1.5		0.5 - 0.85		0.5

Source: City of West Hollywood; our analysis.

The City chose the low end of each range for its new parking minimums: 5 for bars, 3.5 for restaurants, 3 for gyms, 2 for retail, and 0.5 for hotels.