Memo

To: Mayor Kwarsick, City Council
From: Jeff Arango, AICP, CFM – Director of Community Planning
Date: May 2, 2012

Subject: Central Business District Public Overlay Zone
Central Business District Parking Requirements

Summary
The two proposed ordinances were recommended to the council for adoption by the Planning Advisory Board (PAB) following a public hearing held on February 13, 2012 and address allowed land uses in the P-1 Public Zone within the downtown area and parking requirements for the Central Business District. The city attorney reviewed the ordinances on May 2, 2012. The details of each ordinance are outlined below.

Central Business District Public Overlay Zone
Properties in the Langley that have an existing or former public use are zoned P-1, which is restricted to only public uses and doesn’t allow general commercial uses such as retail and personal services. The P-1 zoning designation may be an appropriate classification for several of the public use properties in the city, but does not work for particularly for properties in the Central Business Zone. For example, the Firehouse is not zoned for commercial use despite existing and recent commercial uses occupying the space. Typically a public use would be either a permitted or conditional use in the CB Zone and therefore a specific zoning designation for public use properties would not be required. While commercial uses aren't allowed at the Firehouse, a campground is listed as a conditional use, which is entirely inappropriate for that property or within the CB Zone.
When the glass studio and brewery occupied the space a few years ago Larry Cort attempted to address the situation through a code interpretation that considered these commercial uses quasi-public uses because of requirements the city put on the uses for them to have a public education component of their business. The current planning staff fundamentally disagrees with the code interpretation and its legality in placing what is a essentially a private commercial use within a property that is not zoned for such. The ultimate solution is to amend the comprehensive plan and zoning designations for the properties and allow low impact public uses such as municipal offices throughout the CB Zone. However, we are limited to updating the comprehensive plan only once in a calendar year and there are other amendments that will need to be addressed in the comp plan update to be completed later in 2012.

**Overlay Zone Proposal**

In order to address the issues described above staff proposes the establishment of an overlay district that would encompass several of the properties zoned P-1 within the CB Zone including the firehouse, post office, city hall, the visitor center and the library to allow general commercial uses consistent with the CB District while preserving the public use allowances under the P-1 Zone (See Attachment A for map of district boundaries). The dimensional requirements of the CB Zone would also apply to developments within the overlay zone (setbacks, height, lot coverage, density) as the requirements of the P-1 zone are such that most if not all of the public use properties in the downtown are non-conforming structures, which include limitations on the expansion or redevelopment of those properties and are inconsistent with the development patterns in the CB Zone.

An alternative approach that was considered was to add commercial and residential uses as conditional uses in the P-1 zone. This is something that is worth considering in the future, but because of the large amount of land within the P-1 Zone (including properties such as the school) the additional land uses would add significant new potential for commercial and residential development and would require further planning before such a change could be implemented.

**Consistency with the Comprehensive Plan**

The proposal is consistent with the city's adopted comprehensive plan and in particular with the future land use map. The future land use designation on the properties within the overlay zone will remain as public uses.
Central Business District Parking Requirements
Despite a historic development pattern in the Central Business (CB) District that does not include on-site parking the city maintains on-site parking requirements that must be met either through providing on-site parking (which in most cases is not feasible) or pay a fee of lieu of meeting the requirement that requires payment to the city of $5,000 per parking space. The city currently has no plans to add additional parking in the downtown beyond the CMA church park and ride lot that is outside the CB District, but within walking distance to the downtown.

Given the limitations to providing on-site parking the city must embrace a district wide approach to parking supply and management to meet the parking demand. It is critical for the success of businesses that there be adequate parking within the CB District with the understanding that the supply is severely constrained in certain locations within the downtown (such as on First Street) and that a comprehensive approach to parking will benefit all businesses and users.

Downtown Parking Study
In the summer of 2011 the planning department conducted a parking study within the CB District to determine the overall supply and demand. A total of approximately 550 parking spaces were included in the parking counts that were performed for a minimum of five hours on three days during the peak season in August including a Wednesday, Friday (during the Second Street Market) and on a Saturday. The peak hour of occupancy without exception was 1pm at 67% occupancy leaving no less than 180 parking spaces available at peak demand. The parking spaces counted included all public parking spaces both on-street and off street as well as parking that is available for general customer parking such as the Star Store parking lot and the Langley Village lot along 3rd Street. Reserved spaces for residence or certain office users were not included nor was parking associated with the Inn’s. Part of the city’s approach to parking management may be pursuing further agreements with private landowners to utilize the parking lots for public parking as the city has done with the Methodist Church parking lot on Third Street.

The parking study provides clear evidence that there is not an overall shortage of parking in the CB District. However, the study revealed both areas with close to 100% occupancy during peak periods and underutilized parking facilities. Further efforts to address parking management to support the general economic health and well being of the downtown will likely be necessary.
CB District Parking Requirement Examples
The following parking requirements or fee in lieu of payments are required in the CB Zone:

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Square Footage</th>
<th>Parking Requirement</th>
<th>Fee in Lieu</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>3000</td>
<td>5</td>
<td>$25000</td>
</tr>
<tr>
<td>Office</td>
<td>3000</td>
<td>5</td>
<td>$25000</td>
</tr>
<tr>
<td>Event Space</td>
<td>3000</td>
<td>50</td>
<td>$250,000</td>
</tr>
</tbody>
</table>

The owners of the Doghouse are exploring the option of adding approximately 2600 square feet of event space in the lower level adjacent to the Seawall Park. Providing on-site parking is extremely limited and therefore the owners would be required under the current parking requirements to pay $216,666 to the city for the fee in lieu of providing on-site spaces. The current code does allow for off-site joint parking agreements, but the spaces must be within 300’ of the building, which is not feasible given the Doghouse’s location on First Street. The additional event space may be a critical part of financing the renovations for the entire building and ensuring the long-term viability of this important community icon.

Revised Parking Standards
Parking requirements should be flexible and allow discretion, which is something the current requirements do not provide. In my experience strict on-site parking requirements only create more problems than they solve by requiring more on-site parking than is necessary, not allowing for site specific analysis to effectively gauge the actual parking demand, by not allowing for the creative use of joint parking agreements to meet demand with existing resources thereby reducing costs and environmental impacts associated with new parking lots and by taking up valuable space that may be used for other purposes such as outdoor public space, seating areas and outdoor restaurant and retail opportunities. For these reasons many communities have simply gotten rid of their on-site parking requirements in downtown settings or for businesses below a size threshold. The removal of on-site parking requirements does not preclude the development of on-site parking where necessary and appropriate (such as a hotel/inn), but eliminates the requirement in those instances where on-site parking or a fee in lieu are not necessary and only further burden property owners with additional development costs with little benefit.
Recommendation

Based on the above analysis and the recommendation from the Planning Advisory Board staff recommends the city council authorize the two ordinances to proceed to a second reading.