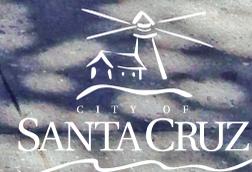


THE ECONOMICS OF

PARKING

Santa Cruz Strategic Parking Plan | Executive Summary

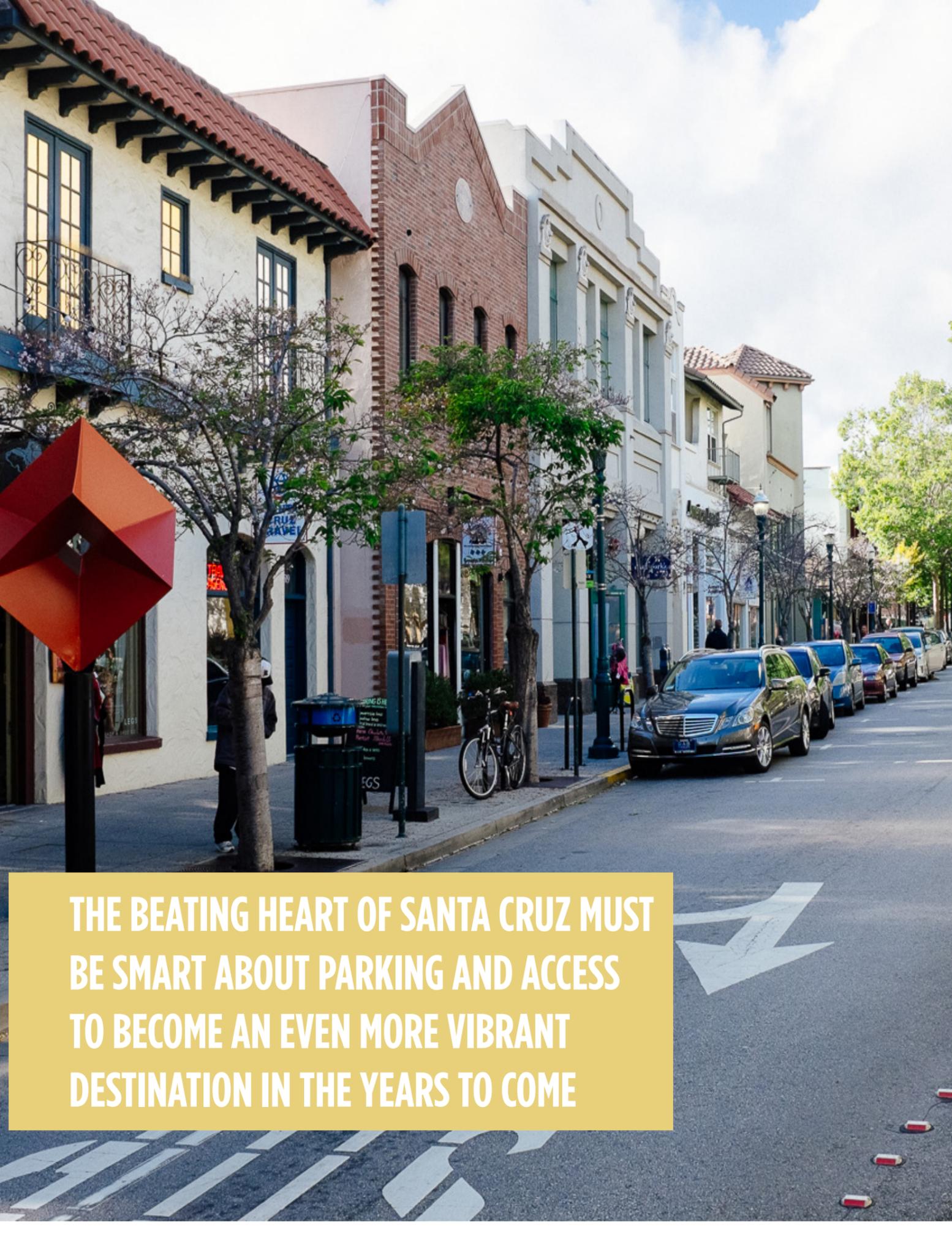


EXECUTIVE SUMMARY

Downtown Santa Cruz is the historic heart of Santa Cruz. It is a vibrant and attractive regional destination because of its dynamic concentration of successful local and national brand retailers, in addition to offices, housing, restaurants, and entertainment venues. As the City plans for future growth and anticipates new stores, offices, and housing to be concentrated in Downtown, it must carefully consider how to provide convenient access for a growing mix of employees, residents, and visitors. Because some of this growth is planned for parcels that are currently used for parking, the parking supply is projected to shrink slightly, even as the amount of activity downtown increases.

In grappling with this challenge, the City will need to be particularly thoughtful about how it augments access to downtown — through the strategic addition of a new parking facility and through more robust efforts to encourage people to take other modes when coming to the area. Building and maintaining parking is expensive, so it is critical to the City's long-term financial sustainability that policy makers identify the right balance. The Santa Cruz Economics of Parking study is an attempt to help the City do so.

Bringing parking prices more in-line with the cost of providing it is a key first step. The City's current deficiency fee program shields users from the true cost of building and maintaining parking by putting this burden on Downtown businesses, who, in turn, pass it on to everyone who buys something downtown, no matter how they got to the area. Other cities have found that ensuring that the users of parking are the ones who pay for it can help identify the true demand for auto access while raising funding for space-efficient access alternatives at the same time. Many of the recommendations that follow reflect this logic.

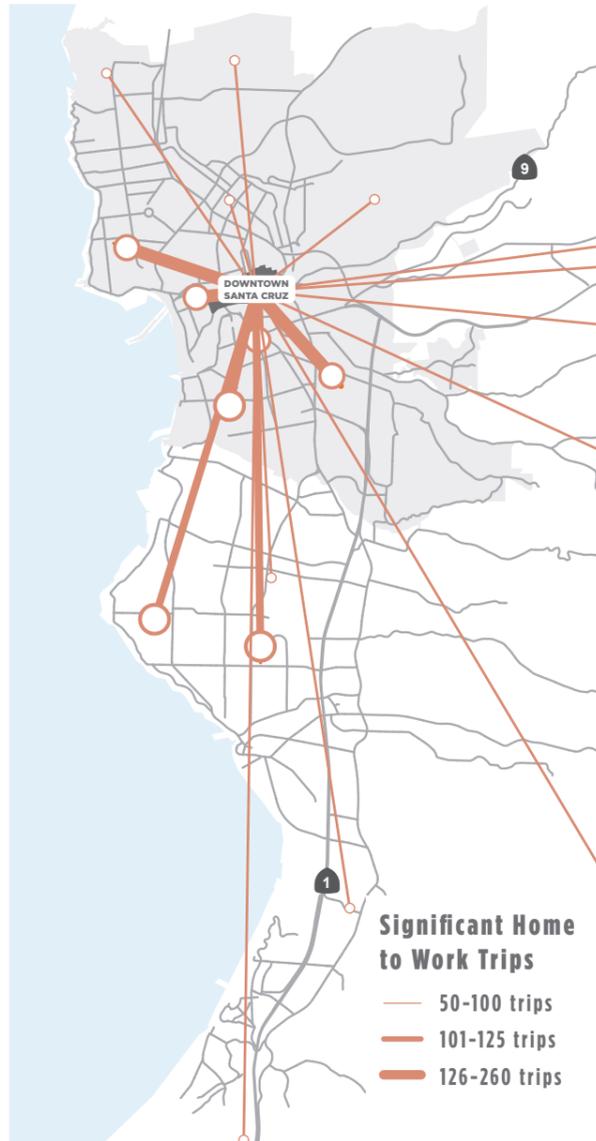


THE BEATING HEART OF SANTA CRUZ MUST BE SMART ABOUT PARKING AND ACCESS TO BECOME AN EVEN MORE VIBRANT DESTINATION IN THE YEARS TO COME

DOWNTOWN SANTA CRUZ FEATURES A DIVERSE RANGE OF ACCESS OPTIONS

Downtown is laid out within a traditional street grid network, providing high levels of connectivity for pedestrians, bicyclists, and motorists alike. Most streets within Downtown are relatively narrow, encouraging relatively slow traffic speeds and easy pedestrian crossings. The bicycle network consists of slow-speed neighborhood streets, bike lanes along arterials, and an off-street multi-use path along the San Lorenzo River. The network is sufficient to support some of the highest rates of bicycle access in California. Metro Center (also known as Pacific Station), located on Pacific Avenue in the heart of Downtown, is served by more than 20 Santa Cruz Metro bus routes that operate throughout the county, in addition to an express service to San Jose.

The Downtown parking system features a mix of surface and structured facilities, with varying time limits and pricing. The roughly two dozen City-managed parking facilities are overseen by the Downtown Parking District, which has been in operation since the 1950s. The purpose of the District is to facilitate the shared use of parking supplies in the area and to fund the cost of future parking improvements. Public parking is made available to all customers, employees, and residents in the District, allowing the City to maximize development potential while limiting the amount of property dedicated to parking. Parking prices vary somewhat, in order to distribute demand across the area. Prices are generally lowest in off-street facilities (or free in a few cases) to encourage their use. Parking permits are available to Downtown residents and employees for a monthly fee. As noted earlier, the City permits property owners to opt out of providing on-site parking by paying annual deficiency fees that support the Downtown Parking District.



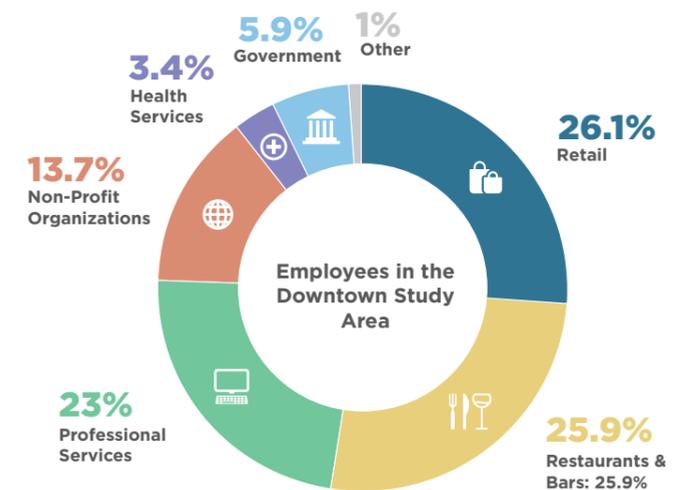
While employees come to Downtown Santa Cruz from far and wide, a significant share of them come from nearby.



WELL MANAGED PARKING CREATES A MORE SUSTAINABLE AND VIBRANT DOWNTOWN FOR EVERYONE

Recent studies of market demand suggest that there is considerable pent up demand for development in Downtown Santa Cruz. To satisfy this demand while maintaining Downtown's unique and vibrant character, the City will need to think critically about how it provides access to a growing number of employees and visitors, through a balance of parking and support for transit, bicycling, and walking. Improved management and, if necessary, new supply can ensure that parking provides consistent access to existing and future businesses, helping to foster a diverse mix of vibrant land uses downtown.

Increasing the residential population in the area will likely be part of this mix. Parking requirements can increase housing costs. Reducing these requirements and instead making 24-hour use of the public downtown parking supply might be an effective way to reduce this burden. In short, providing the right amount of parking, and managing it effectively, is key to the City's efforts to achieve its goals for sustainability, affordability, and equity.



Source: BAE Urban Economics, 2016

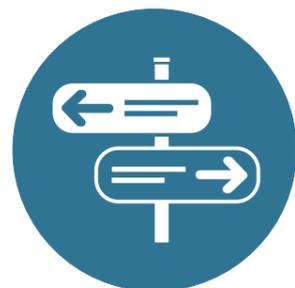
FIVE KEYS TO PROVIDING BALANCED, SUSTAINABLE ACCESS IN A WAY THAT SUPPORTS DOWNTOWN'S ECONOMIC VITALITY



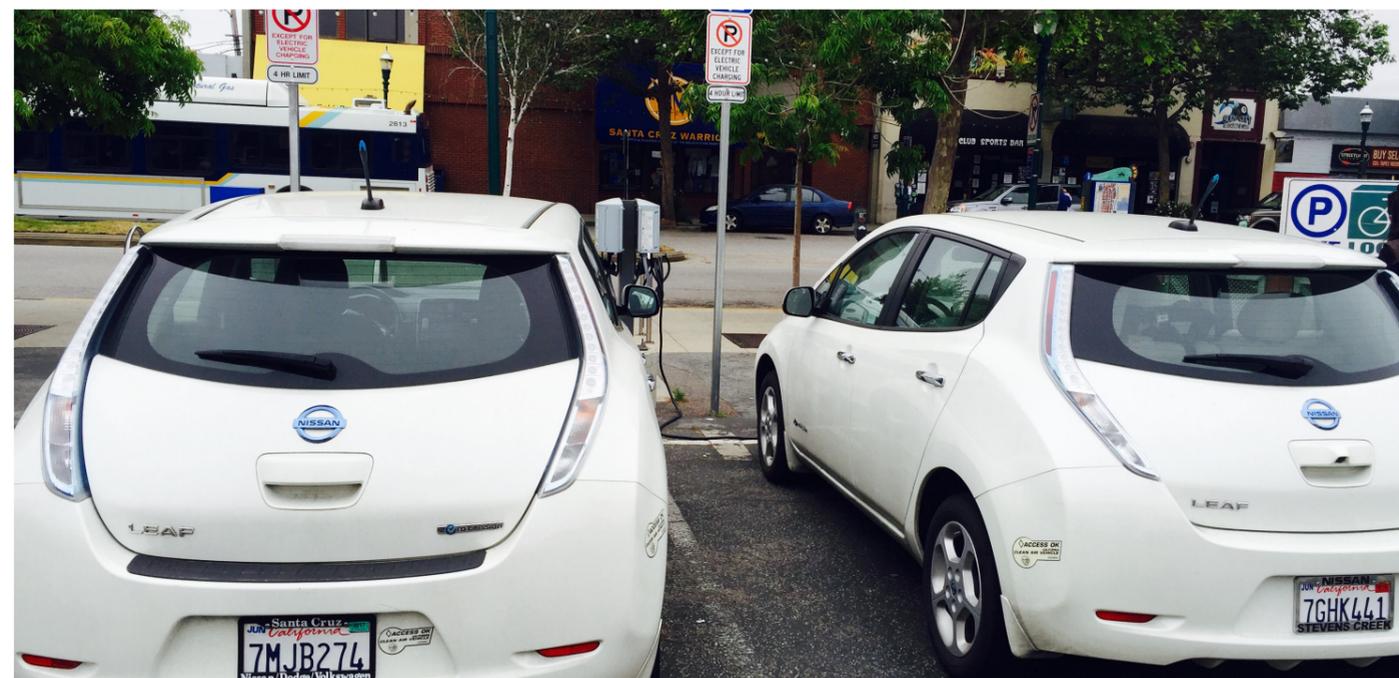
Focus on making sure parking is available when and where people want it. Ensuring availability where demand exists is perhaps the most critical aspect of creating an acceptable parking experience for all users. Quick and easily accessible parking helps reduce traffic congestion and localized emissions and allows more time spent enjoying shops and restaurants rather than driving searching for parking. Balancing availability in an efficient manner can be achieved through pricing based on demand and location, and through targeted enforcement of regulations.



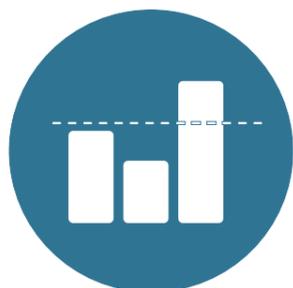
Ensure that the parking system pays for itself. Provision of parking supply poses a significant financial burden to municipalities both through the upfront costs of construction and recurring costs such as maintenance and debt service. The parking system can be optimized for cost recovery by ensuring that the users of parking are the ones who pay for it, by making enforcement efforts more strategic, and by making the whole system more efficient through the thoughtful use of technology. The City should also continue to stay on top of pricing structures in comparable communities, focusing on those that are most actively managing parking to help calibrate rates (see table at the end of this document for a current snapshot).



Use wayfinding and thoughtful communication to make the parking system user-friendly. An easily navigable parking system is a key component of an attractive and welcoming downtown experience. Clear information on parking options and regulations is critical to creating a positive user experience. Shifting from a reliance on time limits to a focus on setting the right price to produce adequate availability at any given time, plus downtown ambassador programs, can help to remove the dread of parking violations and provide users with greater flexibility.



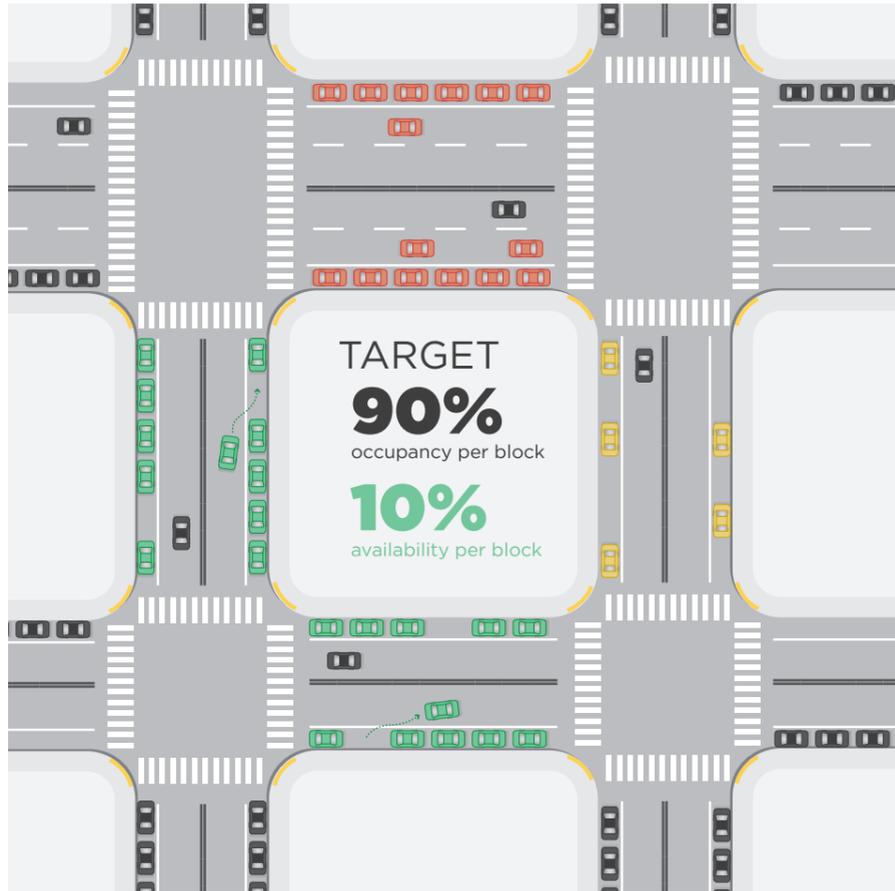
Provide affordable and convenient access for Downtown employees and residents. Happy residents and employees are the backbone of a positive downtown experience. The City has room to optimize the existing employee permit program, and it can market permits to downtown residents as a way to secure overnight parking, even if on-site parking supplies are small. Improving downtown multimodal infrastructure for modes like bikes and transit will also fit into the wider vision of a sustainable and accessible Santa Cruz for everyone.



Promote Downtown vibrancy by right-sizing the parking supply. Parking is a valuable resource for improving auto accessibility, but oversupplying parking in a space-constrained area like a downtown can fragment the built environment, creating a less desirable place to work, live, visit, and walk around. City code provisions that require more parking to be built than the market demands increase the cost of development and relegate land that could support jobs, housing, and tax-generating uses to the storage of vehicles. The City's shared-parking program is a strong foundation upon which to build. Reducing code requirements, continuing to regularly assess parcels for their highest and best use, and, where fiscally prudent, considering the consolidation of surface parking into a more limited number of structures can all help take this foundation to the next level, ensuring that as much of Downtown as possible can be dedicated to the most productive and attractive uses.



Focus on making sure parking is available when and where people want it.



Performance Based Pricing

Demand-based (also known as dynamic or performance-based) pricing charges the lowest possible rate to achieve the desired level of availability and better align the price of parking to demand. The ideal level of parking occupancy on any given block or in any given facility is around 90%, which leaves a few spaces available, distributed across a given area, so drivers can find parking where and when they need it. Santa Cruz recently implemented this concept along part of Pacific Avenue. The City should expand that trial to the whole downtown area to see the full benefits.

To achieve the target occupancy rate, cities increase the cost of parking in areas with occupancy rates higher than 90% and decrease the cost of parking in areas with occupancy rates lower than 90%. The primary goal of demand-based pricing is not to generate increased revenue, but rather to make it as easy as possible to find a parking space. In order to effectively communicate such a strategy, performance-based pricing can be implemented as price tiers, with higher priced “Premium Zones” and lower priced “Value Zones” based on proximity to core areas.

Synchronize the Price of On- and Off-street Parking

Demand for parking is unevenly distributed in Downtown today, with a small number of conveniently located and inexpensively priced facilities approaching capacity at peak times while a few smaller lots at the edges of the District are sometimes underutilized. This variation is likely the result of the limited nature of availability (many serve dual functions such as Civic Auditorium, Police, City Hall, and Arena) and are located well outside the core zone. This uneven distribution is not uncommon given that visitors often place greater value on on-street spaces that are conveniently located in front of their destinations and accessible without navigating through a parking structure.

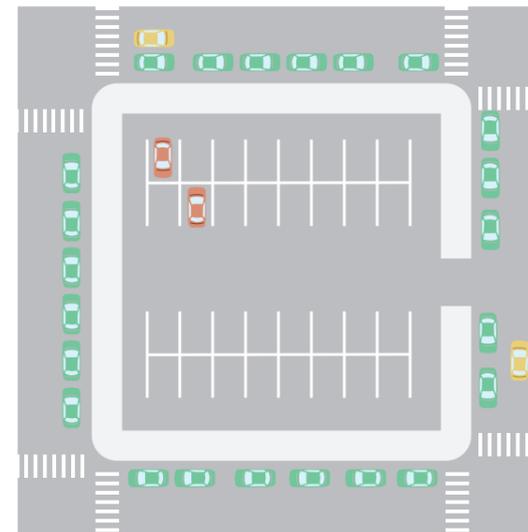
Parking prices in Downtown Santa Cruz currently reflect demand and desirability in this way to some extent, with garages generally less expensive than on-street meters. The City should build on this foundation by revisiting on- and off-street prices area-wide to ensure that they reflect up-to-date demand patterns, and then communicating clearly about the price differential throughout the area.

To ensure that the system is as legible as possible to users, the rate structure for individual garages should also relate directly to nearby on-street parking, so that facilities in busy areas generally cost more and those in remote areas generally cost less. Doing all of this can help improve the fluidity of the parking market and, therefore, the usefulness of parking pricing in achieving goals. Per the section on demand-based pricing, garages and meters should be subject to similar ongoing monitoring and systematic rate adjustments.

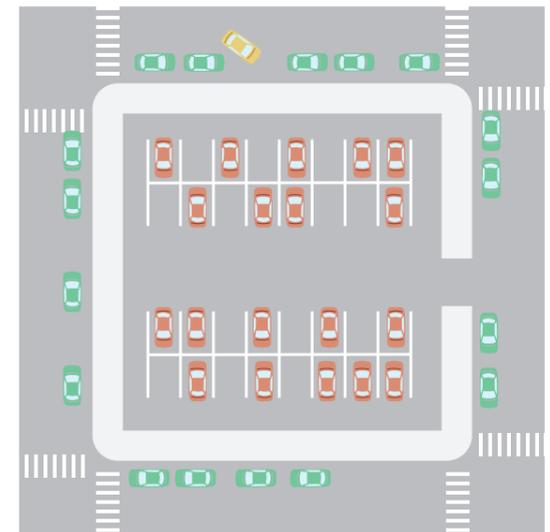
Unpredictable and Targeted Enforcement

Enforcement is an essential element of a functioning parking program. The intensity of enforcement is often less important than how visible and unpredictable enforcement efforts are, so that visitors can be confident that the best way to avoid a ticket is to always pay for parking when meters are on. Most municipalities have a combination of targeted and area-wide-coverage enforcement, with regular routes, periodic routes, and occasional targeted enforcement of problem areas. In order to maximize the efficiency of enforcement staff, the use of technologies, such as license plate recognition (LPR) systems are recommended.

UNCOORDINATED PARKING



COORDINATED PARKING

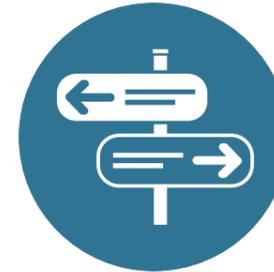




Ensure that the parking system pays for itself.

Self-Sufficient System

Cities like Santa Cruz today face many fiscal challenges with looming pension obligations, the loss of redevelopment authorities as powerful funding mechanisms, and shifting funding priorities at the state and federal levels. It is critical that a parking system continues to support itself without reliance on the City's general fund. If parking is underpriced and financed through non-parking revenue streams, the community bears the cost indirectly through higher costs for housing, goods, and services. Charging the right price for parking and covering all costs through revenue generated by parking itself can help ensure parking is not oversupplied.



Use wayfinding and thoughtful communication to make the parking system user-friendly.

Branding, Communications, and Wayfinding

Communicating parking prices, locations, rules, and availability is essential to effectively using price signals and other management strategies to redistribute parking demand—motorists need information to be able to respond effectively. To do so, the City should create a clearer brand for the parking and access system, actively promote the benefits of the updated approach to managing parking, and install an easy-to-understand wayfinding system to guide people to available spaces. Parking regulations should be clearly communicated to reduce “ticket anxiety”. Improved wayfinding through signage, mobile applications, and real-time data can all help make the system more efficient.

Friendly Parking Enforcement

Visitor- and shopper-oriented downtowns are increasingly looking at parking enforcement as an extension of placemaking and hospitality rather than a form of punishment. “Friendly” parking enforcement strategies include issuing warnings instead of citations when appropriate and providing Certified Tourism Ambassador training to enforcement staff. Some cities have gone a step further and implemented a full visitor ambassador program that extends beyond parking-related functions, utilizing parking enforcement staff. Parking enforcement officers are trained to be downtown ambassadors and are available to answer questions and provide information about the

downtown. Citations focus most heavily on quality of life violations (such as blocking the sidewalk or double parking) rather than parking time limit violations, and officers are trained to be effective communicators of parking and traffic rules, helping to shape behavior over time using “soft skills” in addition to issuing violations. These strategies may be counterbalanced with graduated fines that increase penalties over time for serial violators.



Provide affordable and convenient access for Downtown employees and residents.

Employee Parking Program

Employee parking programs support the quality of life of employees and the sustainability of downtown businesses. While long-term parkers are typically more willing to walk further to parking spaces than those parking for only a short time, to be enticed to do so, they need to know where parking options are located, have a financial incentive to use less convenient facilities, and feel safe doing so, especially if they plan to leave during the evening or late at night. Employee parking programs can potentially use the otherwise underutilized upper floors of public garages or surface lots on the fringes of an area, if there are available spaces, freeing up premium on- and off-street spaces for the lifeblood of any shopping- and entertainment-oriented area: short-term visitors.

Santa Cruz already has an employee permit program, but the City should move forward on plans to adjust the off-street parking facilities in which permits are allowed based on parking occupancy data. Parking permits are also currently quite inexpensive relative to those of peer cities (see table at the end of this executive summary). The City should raise the price of permits (in concert with other parking prices) to better recover the cost of operating and maintaining the parking program. While doing so, the City might also consider the approach some peer cities have taken to accommodate lower-income downtown workers: Charging fees that are graduated based on income levels (i.e. lower rates for lower-wage employees; Santa Rosa and Monterey each have programs like this).

Multimodal Connectivity

Multimodal alternatives to the automobile are the best way to improve access to Downtown while helping to manage existing and future parking demand. **Santa Cruz has the second highest bicycle mode share of any city in California**, but significant gaps in the city's bicycle network mean there are opportunities to improve the attractiveness of biking for people of all ages and abilities. For example, wider, more protected and more continuous bicycle facilities through intersections and along arterial roads that lead to downtown would improve connectivity and safety, and it would likely in turn make cycling to downtown an even more attractive option than it already is. Santa Cruz is already moving forward on another strategy many cities are starting to use to encourage cycling: bike share programs. The City should consider expanding the recently started program with JUMP! to make this a viable option for more people, to continue making it as convenient as possible for people to rely on bicycling, rather than cars, for short trips. While Downtown features more transit access than anywhere else in the region, outside of a robust network to and from UC Santa Cruz low service frequencies of one to two buses per hour make transit a much less attractive option than cycling or driving for most trips.

Resident Parking Program

Parking occupancy in Downtown is likely lowest overnight, when businesses are closed. As the City considers increasing the number of residential units (this).



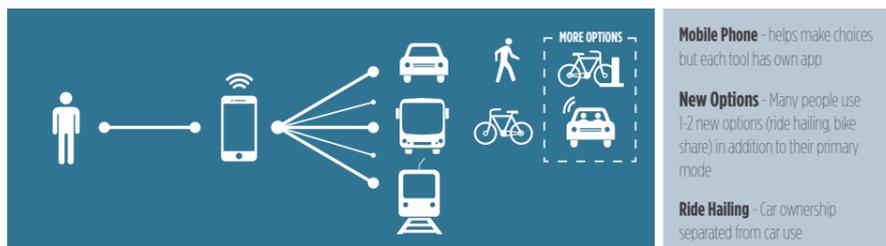
THEN



Loyal to Mode - Tend to use just one option and rarely switch

Perception of Limited Options - Personally-owned car often the default option

NOW

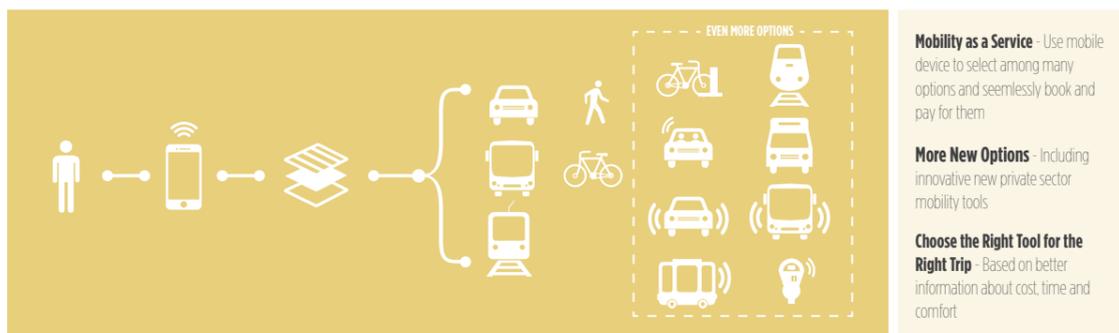


Mobile Phone - helps make choices but each tool has own app

New Options - Many people use 1-2 new options (ride hailing, bike share) in addition to their primary mode

Ride Hailing - Car ownership separated from car use

FUTURE



Mobility as a Service - Use mobile device to select among many options and seamlessly book and pay for them

More New Options - Including innovative new private sector mobility tools

Choose the Right Tool for the Right Trip - Based on better information about cost, time and comfort

Downtown, it can use the available overnight capacity in the parking system to accommodate residents' cars, making the whole system more efficient. The City can either market its existing downtown parking permit program to residents, or it could start a special new resident-oriented permit program that gives downtown residents overnight access to certain parking facilities. This can help alleviate the need to build costly parking spaces with new housing developments, which can in turn help to make downtown units less expensive to construct and more affordable once they are on the market.

Emerging Mobility

While we do not know exactly when driverless cars will replace traditional automobiles, they will likely completely reshape the way we think about mobility and access once they do. Driverless cars have significant advantages for storage, as vehicles

can be parked at a greater distance from their passengers with a smaller footprint for drive aisles and stalls than is the case if the vehicle must be parked by a driver.

For many, driverless car ownership might also be less desirable than some form of "mobility as a service" that provides mobility through a shared fleet as well as a range of other motorized and non-motorized mobility options (e.g. bike share and scooter share). Even today, the transition away from traditional car ownership is already under way. In many cities, Uber, Lyft, and other ride hailing services have had a noticeable impact on parking demand. These trends are uneven, and they may not be affecting places like Santa Cruz in quite the same way as they are already in places like San Francisco. Still, cities everywhere should begin grappling with the potential for major changes in both parking demand and the use of curb space as these services expand and automate.

Adjust Parking Code

Modifying parking requirements and making them more flexible to meet actual market needs is a key tool in providing the "right" amount of parking. The market tends to demand far less parking in downtowns than in lower-density suburban areas because of greater transit access, higher facility and user costs, the use of parking management strategies, and the ability to share across a diverse range of uses. Reducing or eliminating minimum parking requirements does not mean that no new parking will be constructed, but rather that developers will determine the appropriate level of supply based upon market demand. A city looking to reduce or eliminate their minimum parking requirements should consider the following principles:

- Reduce minimum parking ratios to rates that allow businesses to use their land more productively and dedicate a larger proportion of the site to their active land use (i.e. the reason people are coming to the parcel in the first place) while still meeting motorists' needs;
- Establish requirements based on actual observed parking demand;
- Coordinate with developers to provide provisions for shared parking with new construction.

Land Use Composition

Analyses of population and employment growth, district financial sustainability and retail vacancy rates suggests that there is both a demand and desire for infill development in Downtown Santa Cruz. To this end, **the most obvious opportunity sites for future development within the Downtown area are surface parking lots.** While parking is an important element of a broader downtown access strategy, in some cases, surface parking is not the highest and best use of some of the Downtown real estate that is currently dedicated to that use. In considering future growth plans, the City should analyze each parcel that is currently dedicated to parking determine if there is a higher value use of that land, and whether there are other ways to get people downtown that can enable the more active use.



THE PARKING SYSTEM AND CITY FINANCES

While the total Downtown parking supply is currently sufficient to meet overall parking demand, there are areas with high levels of demand that result in a perceived shortage of available parking. To accommodate the share of new residents, employees, and visitors who wish to come Downtown by car, the City has a range of potential options, each with different tradeoffs. Nelson\Nygaard helped City staff consider some of these options by thinking through the costs and benefits of a few potential ways of adjusting the parking system in response to growth.

The most fiscally prudent approach to accommodating additional demand: Modernize parking management and better align parking prices to the cost of building and maintaining the system.

There are a number of cost-effective tools the City has at its disposal to better distribute parking demand, from strategic adjustments to parking prices to better information and enhanced alternatives to driving.

The next three pages review three paths forward the City could take, reviewing potential parking prices and the estimated parking outcomes and financial implications of each.

Adjusted Rates

On September 11, 2018 City Council approved an ordinance to amend Chapter 10.52 to adjust parking meter rates and parking and permit rates for Downtown parking lots and structures. The new rates provided in the tables below are set to be more in line with benchmarked peer cities. The rates ensure that the user pays for the cost of parking in congruence with industry best practice management.

PARKING METERS

Parking Type	Existing Rate	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
		Increase 1	Increase 2	No Change	No Change	No Change
20-min	\$0.75/hr	\$1.00/hr	\$1.50/hr	\$1.50/hr	\$1.50/hr	\$1.50/hr
30-min	\$1.00/hr	\$1.25/hr	\$1.50/hr	\$1.50/hr	\$1.50/hr	\$1.50/hr
2-hour variable	\$0.75/hr	\$1.00/hr	\$1.50/hr	\$1.50/hr	\$1.50/hr	\$1.50/hr
2-hour variable	\$1.00/hr	\$1.25/hr	\$1.50/hr	\$1.50/hr	\$1.50/hr	\$1.50/hr
12 hour	\$0.50/hr	\$0.75/hr	\$1.00/hr	\$1.00/hr	\$1.00/hr	\$1.00/hr

LOTS/GARAGES

	Existing Rate	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
		Increase 1	Increase 2	No Change	No Change	No Change
Cost/hour	\$0.50/hr	\$1.00/hr	\$1.25/hr	\$1.25/hr	\$1.25/hr	\$1.25/hr

PERMITS

	Existing Rate	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
		Increase \$6/mo.	Increase \$10/mo.	Increase \$10/mo.	Increase \$10/mo.	Increase \$10/mo.
Cost/month	\$39/month	\$45/month	\$55/month	\$65/month	\$75/month	\$85/month

SETTING PRICES AND OPTIMIZING PARKING REGULATIONS

Parking prices are currently in force between 8 a.m. and 8 p.m., which should continue to be sufficient to manage demand during both afternoon and evening periods of peak usage. As provided in the approved resolution, rate adjustments should occur over a gradual five-year period, as shown below, in conjunction with the phase out of deficiency fees.



LOOKING AT OTHER COMMUNITIES' APPROACHES TO PARKING PRICING

Many cities have grappled with the same tradeoffs when considering different approaches to managing parking and access to their downtowns. The table below shows how a few comparable cities approach to one aspect of their larger parking and access programs: Prices. These examples provide a benchmark for Santa Cruz as the City begins to consider updating its approach to parking management and pricing.

Like Santa Cruz, many cities have chosen to recognize that certain block faces and garages are more desirable than others, and prices in these “core” areas reflect that desirability. A majority of this selection of peers charge more per hour across the board than Santa Cruz does today. Several cities also acknowledge that off-street parking tends to be less convenient than on-street parking and give drivers who choose off-street facilities a discount. Most of these cities also charge more for monthly permits while allowing discounts for certain types of employees, including those with low incomes.

PEER CITY COMPARISON

City	On-Street	Off-Street	Parking Permits
Santa Cruz	<ul style="list-style-type: none"> Core: \$1.00/hour Non-Core: \$0.50/hour 	<ul style="list-style-type: none"> Varies, most \$0.50/hour to \$1.00/hour 	<ul style="list-style-type: none"> Employees: \$35/month Residents: \$25/year
Monterey	<ul style="list-style-type: none"> Cannery Row: \$1.50/hr 	<p>Lots</p> <ul style="list-style-type: none"> \$0.50 - \$1.50/hr \$4-\$15/day <p>Garages</p> <ul style="list-style-type: none"> \$0.75/hr One offers first hour free \$0.50 per 20 minutes thereafter \$7 - \$10/day 	<ul style="list-style-type: none"> General Public: \$42.50-\$57.50/month Lighthouse District employees: \$22.50/month
Santa Barbara	<ul style="list-style-type: none"> Free 	<ul style="list-style-type: none"> First 75 min free, \$1.50/hr thereafter 	<ul style="list-style-type: none"> Commuter lots: \$40-\$70/month Other downtown lots: \$85-\$160/month
San Luis Obispo	<ul style="list-style-type: none"> Core: \$1.75/hr Non-Core: \$1.00 - \$1.50/hr 	<ul style="list-style-type: none"> \$1.00 - \$1.75/hr Some offer first hour free Mon-Sat: \$12.50/day Sun: \$6.25/day 	<ul style="list-style-type: none"> 10-Hour Meter Permits: \$60/month Garages: \$56/month \$125/month for downtown residents
Santa Rosa	<ul style="list-style-type: none"> Core: \$1.50/hr Non-Core: \$1.00/hr 	<p>Lots</p> <ul style="list-style-type: none"> Core: \$1.50/hr Non-core: \$1.00/hr <p>Garages</p> <ul style="list-style-type: none"> \$0.75 - \$1.00/hr Two offer first hour free and \$0.50/hr thereafter \$6 - \$10/day 	<ul style="list-style-type: none"> \$70 - \$160/month \$62/month for low wage employees
Ventura	<ul style="list-style-type: none"> Core: \$0.50 - \$1.00/hr Non-Core: Free 	<ul style="list-style-type: none"> One garage: \$2/hr or \$10/day Others: free all day or for four hours 	<ul style="list-style-type: none"> N/A

Capitola and Salinas were reviewed but not selected as peers as their systems are not supported by user fees

DEFINING A PATH FORWARD

With a thriving Downtown and many signs pointing toward a bright future, Santa Cruz has a strong foundation on which to build a future that will make everyone proud. With a thoughtful approach to managing parking and access, the City can make it safe, comfortable, and convenient to get Downtown while ensuring that its focus and budget stay on larger priorities.

Providing the right amount of parking, pricing and managing it appropriately, and pairing those steps with sustainable and space-efficient access alternatives are all key to ensuring Downtown remains an attractive and vibrant place that supports long-term economic vitality. Going forward the City should strive to implement the aforementioned parking management strategies to ensure that parking is available where demand is greatest, that parking and access options are easy to locate, that Downtown access is affordable for employees and residents, and that parking operations are financially self-sufficient. To achieve this the City should look to more accurately align the price of parking to the costs of building and maintaining the system, while moving toward modernized management practices and multimodal solutions.





Downtown Santa Cruz Economics of Parking Study Existing Conditions and Parking Toolbox

April 2017



Table of Contents

	Page
1 Introduction.....	1
Background.....	1
Goals for Downtown.....	2
Study Area.....	2
2 Policy Background and Plans	4
City Plans and Studies.....	4
Santa Cruz 2030 General Plan, Economic Development Element	4
Wayfinding and Signage Program Analysis	4
Downtown Studies and Plans.....	4
Downtown Parking Study.....	4
Downtown Recovery Plan.....	5
2011 Retail Market Analysis.....	6
Lower Pacific Avenue Parking Study.....	6
Neighborhood Parking Management Strategy.....	7
River/Front and Lower Pacific Design Guidelines & Development Incentives	7
Santa Cruz Downtown Retail Strategic Plan	8
Santa Cruz Trolley Routing Study.....	8
Feasibility Study for a Permanent Mixed-Use Arena Facility.....	8
3 Land Use and Transportation.....	10
Context	10
Land Uses, Destinations and Events	10
Commute Origins.....	12
Downtown Access and Circulation	13
Non-Motorized Transportation.....	13
Transit and Trolley Operations	14
Vehicle Access.....	17
Parking.....	17
Parking Supply	17
Parking Management.....	19
Payment Methods.....	24
Parking Demand	27
4 Case Studies	35
Background and Methodology	35
Pasadena	35
Parking Meters as a Catalyst for Change.....	36
Parking Credits as a Catalyst for Development.....	36
Downtown Parking Supply and Services.....	37
Business Perspectives on Parking.....	38
Key Lessons.....	39
Monterey	40
Current Parking Program	40
Downtown Parking Study.....	41
Business Perspectives on Parking.....	42
Key Lessons.....	42
Pacific Grove.....	43
Downtown Parking Supply	43

	Business Perspectives on Parking.....	44
	Key Lessons.....	45
	Santa Barbara	45
	Downtown Parking Supply	46
	Business Perspectives on Parking.....	47
	Key Lessons.....	48
	San Luis Obispo.....	48
	Downtown Parking Supply	49
	Recent Changes	51
	Business Perspectives on Parking.....	52
	Key Lessons.....	53
5	Retail Conditions	54
	Introduction and Methodology.....	54
	Demographic Trends and Projections	54
	Demographic Trends.....	54
	Projections.....	55
	Employment.....	56
	Employment by Industry.....	56
	Businesses and Employment in Downtown Santa Cruz.....	60
	Tourism Sector.....	63
	Retail Trends	64
	Citywide Retail Trends.....	64
	Retail Trends in Downtown Santa Cruz.....	68
	Retail Market	71
	Planned and Proposed Development in Downtown.....	75
6	Issues and Opportunities	78
	Current Issues and Opportunities.....	78
	Santa Cruz has a vibrant and attractive downtown.....	78
	Most vehicle trips to Downtown are commuter trips.....	78
	Most commuter trips are local	78
	People currently get Downtown by multiple modes.....	79
	Parking affects the customer experience	79
	Current parking supplies exceed demand.....	80
	Surface parking is not the highest and best use	81
	Demand for consolidated parking increases with development	81
	Current demand is unevenly distributed.....	81
	Parking prices favor employees over customers	81
	Parking is an area-wide issue	83
	Parking affects development feasibility	83
	Parking fees favor developers over businesses.....	83
	Downtown has robust district arrangements and engaged stakeholders.....	84
	Future Trends and Technologies.....	84
	Demographics	84
	Transportation Technologies	86
	Parking Operations	88
7	Parking Toolbox	92
	Key Strategies.....	92
	Amended Parking Requirements	92
	Shared Parking.....	93
	District In-Lieu Fees or Parking Credits	94
	Parking Pricing.....	96

Time Restrictions.....	97
Parking Operations and Technologies.....	97
Wayfinding and Signage	97
Satellite Parking.....	98
New Parking Supply.....	98
Screening of Parking Tools	99

Table of Figures

	Page
Figure 1 Study Area.....	3
Figure 2 Land Uses and Destinations	11
Figure 3 Origin and Destination Trip Pairs.....	12
Figure 4 Multimodal Networks	15
Figure 5 Downtown METRO Center Fixed-Route Services, July 2016	16
Figure 6 Santa Cruz Trolley Ridership.....	17
Figure 7 Parking Supply.....	18
Figure 8 Santa Cruz Parking Requirements.....	19
Figure 9 Parking Permit Waitlist – August 2016	21
Figure 10 Downtown Parking District On-Street Meter Rates.....	22
Figure 11 Off-Street Parking Fees and Regulations.....	23
Figure 12 Santa Cruz Parking Meter and Change Machine.....	25
Figure 13 Pay-by-Space Payment Methods.....	26
Figure 14 Downtown Information Kiosk.....	27
Figure 15 Locust Garage Average Occupancy by Time – February 2014 to June 2015.....	28
Figure 16 River/Front Garage Average Occupancy by Time – February 2014 to June	28
Figure 17 Soquel/Front Garage Average Occupancy by Time – February 2014 to June 2015.....	29
Figure 18 Parking Utilization – Summer 2015.....	31
Figure 19 Parking Utilization – Winter 2015	32
Figure 20 Lower Pacific Parking Utilization – April 2014.....	33
Figure 21 Downtown Peak Parking Utilization.....	34
Figure 22 Minimum and Maximum Parking Requirement in Old Pasadena.....	37
Figure 23 Old Pasadena Parking Map	38
Figure 24 Real-Time Parking Availability Tracker	46
Figure 25 Downtown San Luis Obispo Parking Map.....	50
Figure 26 Population and Household Trends, 2000-2014.....	55
Figure 27 Projected Population, Housing Unit and Employment Growth, 2010-2035.....	55
Figure 28 Labor Force and Employment, City of Santa Cruz and California, 2005-2015.....	56
Figure 29 Annual Average Employment by Industry, 2010-2014.....	58
Figure 30 Employees in Downtown Study Area by Industry.....	60
Figure 31 Summary of Downtown Employment and Businesses.....	60
Figure 32 Census of Businesses in Downtown District.....	62

Figure 33	Santa Cruz County Visitor Spending by Commodity Purchase (\$Millions) 2012-2015.....	63
Figure 34	Santa Cruz County Industry Employment Generated by Travel Spending (Jobs) 2012-2015.....	64
Figure 35	Change in Taxable Retail Sales, City of Santa Cruz and California, 2010-2013 ..	65
Figure 36	Taxable Retail Sales, City of Santa Cruz and California, 2010-2013.....	66
Figure 37	Per Capita Total Taxable Retail Sales, City of Santa Cruz and California, 2010-2013.....	67
Figure 38	Per Capita Taxable Retail Sales by Sector, City of Santa Cruz and California, 2010-2013.....	67
Figure 39	Retailers and Sales Tax, 2012-2015.....	70
Figure 40	Payable Sales Tax by Industry.....	71
Figure 41	Retail Market Overview, Downtown Study Area and City of Santa Cruz, 2014-2016.....	71
Figure 42	Retail Vacancies, 2007-2015.....	73
Figure 43	Retail Rents, 2007- 2015	73
Figure 44	Current Retail Vacancies, Downtown Santa Cruz, June 2016	74
Figure 45	Planned and Proposed Residential and Commercial Development, July 2016	77
Figure 47	Parking Pricing in Downtown Santa Cruz.....	82
Figure 48	Artist’s Impression of Parking Conversion with Autonomous Vehicles	89
Figure 49	Automated Parking Facility (top) and Mechanical Parking Lift (bottom).....	90
Figure 50	Smart Parking Facilities	91
Figure 51	Typical Peak Occupancy Rates by Land Use and Time.....	94
Figure 52	Parking Wayfinding Signage	98
Figure 53	Parking Structure Cost Analysis.....	99
Figure 54	Parking Toolbox Matrix	100

1 INTRODUCTION

BACKGROUND

Downtown Santa Cruz is the historic heart of Santa Cruz and is characterized by a variety of uses that contribute to a vibrant and attractive destination. While Downtown is primarily known as a retail center, very successful local retailers alongside a number of national brands, it is also home to commercial offices, residential buildings, restaurants, and entertainment venues. As the City plans for future growth, it anticipates new retail, commercial, and housing uses to be concentrated in Downtown and other activity centers. To accommodate this sustainably, the City must carefully consider effective parking strategies to ensure Downtown remains an attractive and vibrant place that supports continued economic and retail vitality.

Parking in Downtown Santa Cruz includes a complex array of surface and structured facilities, time limits, paid parking, and free parking. In total, 22 city-owned parking facilities are managed by the Downtown Parking District, which has been in operation since the 1950s. Paid parking facilities feature tiered pricing to encourage turnover on higher-usage streets. In addition, the City has applied lower parking ratios for mixed-use projects, permitting developers to opt out of providing on-site parking by paying “deficiency fees” (which have not been updated for many years). This option may not be available in the future due to a limited supply of remaining available spaces.

Recent studies of retail market demand and wayfinding suggest that Downtown Santa Cruz has considerable pent up demand for retail land uses, which may pose challenges in terms of adequate parking supply. There is also potential for more efficient utilization of existing parking resources through improved parking-related wayfinding and signage in the downtown.

The purpose of this study is to comprehensively evaluate parking needs in Downtown, and consider:

- a. whether changes are needed to update existing parking policies, and



- b. what new strategies would support the City's vision for an authentic, welcoming, and attractive destination.

GOALS FOR DOWNTOWN

In consultation with City staff, the following goals and objectives have been identified to form the vision for this study:

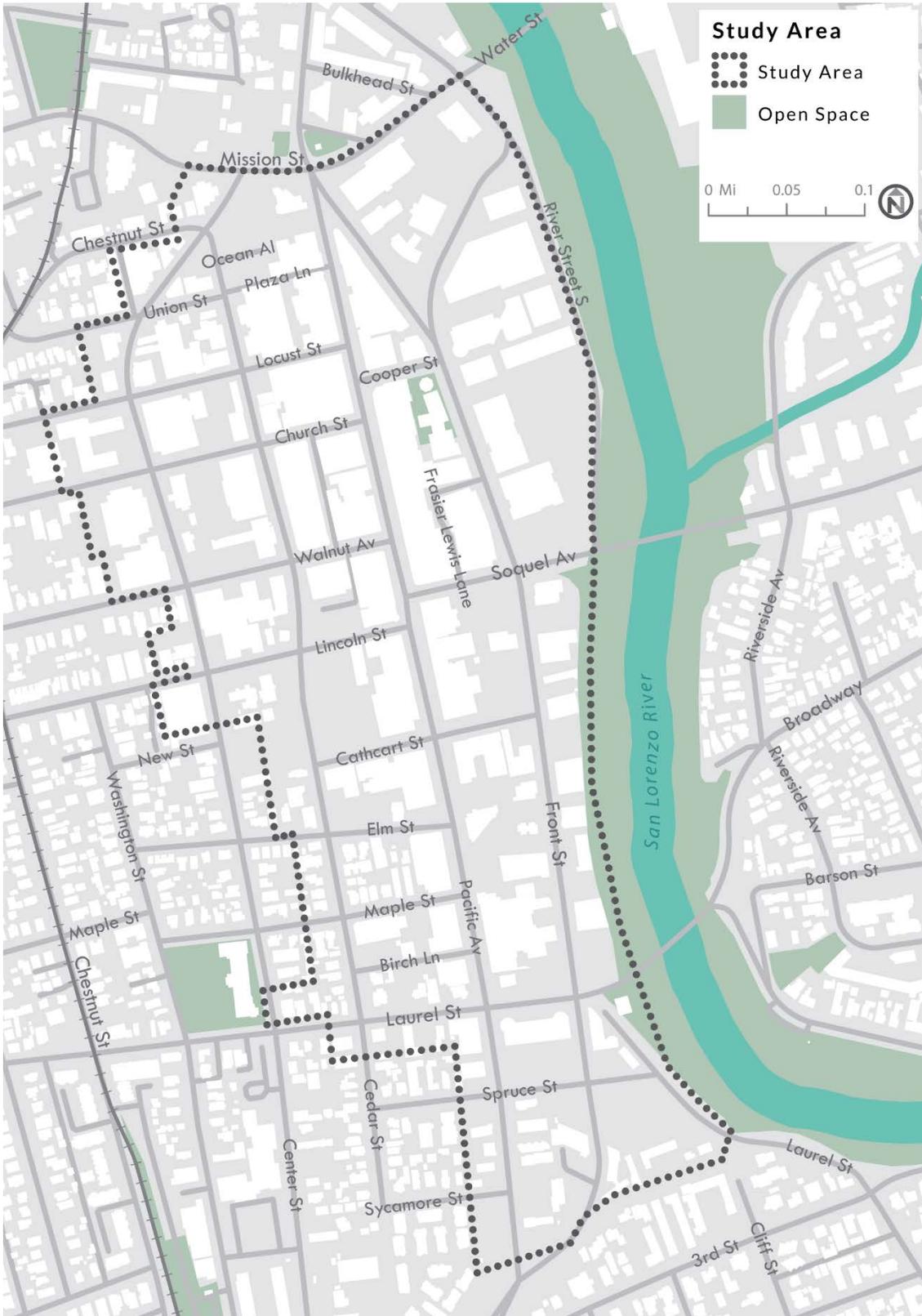
- Use parking policy to achieve a balance of larger objectives:
 - Retain positive qualities: vibrant, attractive, small town feeling with 24 hour uses
 - Encourage people to spend time in Downtown Santa Cruz
 - Support existing retail and the eclectic mix of local stores
 - Attract new retail (including anchor stores) and businesses to Downtown Santa Cruz which would support the district's long term financial sustainability
 - Accommodate existing and future office and housing development
- Develop a package of integrated parking solutions for Downtown Santa Cruz:
 - Make the most efficient use of parking resources
 - Prioritize premium parking for retail customers
 - Maximize employee TDM strategies
 - Provide the flexibility to reflect future trends in parking demand
 - Increase access to Downtown by parking, wayfinding, or other means
 - Use funds efficiently

STUDY AREA

The study area encompasses Downtown Santa Cruz, which is roughly bound by Water Street and Mission Street to the north, the Santa Cruz Riverwalk to the east, Kaiser Permanente Arena to the south, and Chestnut Street and Center Street to the west. Within the study area exists the Downtown Parking District and much of the area south of Laurel Street that was the focus of the Lower Pacific Avenue Parking Study (between Pacific Avenue and the San Lorenzo River).

The study area is displayed in Figure 1.

Figure 1 Study Area



2 POLICY BACKGROUND AND PLANS

CITY PLANS AND STUDIES

Santa Cruz 2030 General Plan, Economic Development Element

In 2012, the City of Santa Cruz adopted the Santa Cruz 2030 General Plan, which identified goals, policies and actions to guide the City's future economic development. The Plan discusses the City's dependence on the regional economy and the reality that much of the City's revenue comes from retail sales and hotel occupancy taxes. Expanding the City's retail and "[evolving] into a full service overnight lodging destination" are identified as potential solutions to improve its economic position within the region and maintain essential sources of revenue.

Wayfinding and Signage Program Analysis

Completed in 2011, this study explores the development of an integrated wayfinding system that markets Santa Cruz in a unique, friendly and organized manner. In regard to parking, the study found that not all lots are clearly identified, and in instances where identification can be found, signage is inconsistent. Further concerns were raised about a lack of pedestrian signage linking downtown to the beach. Key recommendations in relation to parking and access are as follows:

- Implement an updated Citywide Parking Directional and Identification Signage Program.
- Implement a Pedestrian Signage Program specifically linking the Downtown to the Beach Area, and the reverse.
- Expand the Pedestrian Signage Program to other business districts, paths and nodes.
- Implement Zipcar and electric vehicle charging station language

DOWNTOWN STUDIES AND PLANS

Downtown Parking Study

First completed in 2007 and most recently updated in 2010, The Downtown Parking Study provides an overview of parking supply and demand, and assesses future growth in Downtown Santa Cruz. Both iterations of the study found that parking supply in the Downtown Parking District exceeded overall potential demand, by 81 spaces in 2007 and 79 in 2010.

The 2010 study projected that at the completion and occupancy of pending projects, overall parking demand would outpace supply by 93 spaces, based on city requirements by square footage or units. This study also identified a parking deficiency in Zone 4, bound by Lincoln Street to the north, Pacific Avenue to the east, Laurel Street to the south, and the western block face of Cedar Street to the west. In this area, the study noted that future intensification of uses may require additional supply to avoid parking impacts.

The study does not specify which time period the analysis was based on, but recent analyses have focused on peak demand in mid-December and mid-June, representing the peak of the peak.

Downtown Recovery Plan

Santa Cruz's Downtown was severely damaged in the 1989 Loma Prieta earthquake, and the City undertook a comprehensive visioning process aimed at rebuilding. The Downtown Recovery Plan laid the framework for revitalizing Downtown Santa Cruz as a major destination for the entire region. Most recently amended in 2016, the Plan provides a framework for public and private actions, and establishes policies, standards, and guidelines that direct the rebuilding to create a downtown that meets the objectives of the entire community. The Plan is currently being updated to consider expanding the Additional Height Zones along Pacific Avenue and portions of Front Street between Soquel Avenue and Laurel Street. The update under consideration would allow increased heights to provide for more housing opportunities in the lower Pacific Avenue area, as well as to strengthen pedestrian connections to the San Lorenzo Riverwalk. Along Pacific Avenue, the Plan emphasized strengthening the retail corridor and creating public spaces for pedestrian activity. The Plan also promotes diversifying Pacific Avenue with mixed-use projects, including office and market-rate and affordable housing in upper floors above retail. Plan principles and strategies that relate directly to downtown retail, access, and parking are as follows.

- **Strengthening of Downtown as a Vital Retailing District.** In order for Downtown Santa Cruz to be restored as an active and meaningful place, it must offer residents, students, employees, and visitors a purpose to be there and an attractive alternative to other retailing options in the region. Without a strong and diverse retail base, the Downtown area cannot function as a viable center for the community.
- **Centralized Retail Management.** The quality and mix of retailers within the Downtown will significantly contribute to the diversity and number of people who will come to Downtown Santa Cruz. Such an approach can encourage clustering and concentration of companion retail uses that promote multiple visitation; coordination of business hours; marketing of the Downtown as a single destination; and programming of special events.
- **Physical Environment that Reinforces Retailing.** In order to remain competitive with outlying shopping areas, Pacific Avenue needs to be perceived as a unique destination that is convenient and comfortable to pedestrians, motorists, and bicyclists. From the pedestrian's standpoint, it is imperative to create a street environment that is hospitable and non-threatening. A good retail street offers a strong sense of continuity and visibility. Ground-level uses along Pacific Avenue should be controlled to ensure that retail continuity is maintained.
- **Reinforcement of the Pedestrian-Oriented Environment.** The public spaces and streets of Downtown Santa Cruz must be appropriately scaled to ensure that comfortable pedestrian environment is created.
- **Balance between Pedestrians and Automobiles.** The correct balance should include: wide sidewalks for promenading and pedestrian-oriented activities, narrow roadways with slow-moving traffic, continuous, safe bicycle routes; ample accessible, at-grade pedestrian crossing ramps, and appropriately textured surfaces for access and safe movement of persons using mobility aids and devices; and curbside parking or bike lanes to offer a separation between pedestrians and moving cars and to slow traffic further.

2011 Retail Market Analysis

The 2011 Retail Market Analysis assessed the viability of expanding existing businesses and developing new retail throughout Downtown Santa Cruz. The study concluded that Santa Cruz's Downtown, East, West, and Wharf-Waterfront districts have a combined pent up market potential to support more than 550,000 square feet of additional retail and restaurant businesses by 2016. In the downtown alone, approximately 91,500 gross square feet of retail could be supportable along Pacific Avenue and Front Street. This is equivalent to 25-30 new stores generating over \$43 million in annual gross sales. However, the study assumed that the supportable retail would consist mainly of large format stores averaging 25,000 square feet, which could most likely be accommodated along Lower Pacific, which has more redevelopment potential.

Integral to Santa Cruz's potential is its diverse consumer base, which includes 17,000 university students and 33,600 downtown daytime workers. Although the city is located within 60 miles of major shopping areas in Santa Clara, San Mateo, and San Francisco Counties, much of Santa Cruz's population is relatively isolated due to limited transportation networks and restrictive geographical conditions.

A key finding was "retail leakage" (when local retailer's gross sales are less than the total retail expenditures of residents). The study concluded that the Greater Santa Cruz region experiences unusually high levels of retail leakage, despite its relative isolation, many visitors, and affluent demographic makeup. Of more than \$2 billion spent by residents on retail in 2010, less than 15% was captured by retailers within the City of Santa Cruz. The primary factors identified as contributing to this retail leakage are as follows:

- Conditions within existing shopping areas, such as Pacific Avenue and Beach Street, that suppress retail performance, including a confusing one-way street network, ineffective wayfinding signage, and the lack of leading retail anchors that could support the existing retail;
- Insufficient retail square footage to satisfy potential demand;
- Large numbers of Santa Cruz residents commuting and working outside the Santa Cruz region; and
- Competition with larger shopping areas, such as Santana Row and Valley Fair in San José and Santa Clara.

The report did not suggest that eliminating retail leakage from Santa Cruz is or should be an economic development goal—such a desire would be unreasonable given the nature of residents' travel patterns and preferences.

Lower Pacific Avenue Parking Study

Completed in 2014, the Lower Pacific Avenue Parking Study examines parking related issues and provides specific recommendations to help design a parking management program for the Lower Pacific Avenue area. The study highlights the opportunity for development in the area as it currently serves as an "in between" area that unlinks Downtown from the beach.

Recommendations from the study include the following:

- Right-size land use intensity and the associated parking demands when implementing the River/Front and Lower Pacific Design Guidelines and Development Incentives Study density recommendations.
- Promote shared parking opportunities in the short term with underutilized facilities and in the long term with centralized shared parking facilities.
- Enact a policy that encourages and supports evaluated and applicable TDM strategies.
- Implement and utilize paid parking methods to fund parking facility development and area management strategy.
- Secure funding for and construct a parking facility to accommodate future parking demands.

Neighborhood Parking Management Strategy

The Neighborhood Parking Management Strategy was established in 2004. This City policy proposes that on-street parking in the City of Santa Cruz is a resource to be managed for the benefit of residents, resident's guests, commute parkers, employees, and businesses. Through the basis of residential permit parking controls the policy sets forth the following goals:

- Charge for parking where it is currently free
- Manage on-street supply as a dual resource for residents and visitors
- Promote and fund alternatives to driving alone
- Promote and fund the connection between alternative commute options and better health
- Promote and fund Transportation Demand Management (TDM) programs and parking programs from parking permit revenue

The permit program is comprised of two elements: one for residents, and a second for commuters. Households are limited to three annual resident and two annual guest permits. A household is considered a valid address. The monthly commuter permit would be targeted to non-residents, for blocks that have a day-time peak occupancy of 75% or less per block face.

River/Front and Lower Pacific Design Guidelines & Development Incentives

Produced in 2010, this document provides design guidelines and development incentives for future development of the River/Front and Lower Pacific areas to the immediate north, south, and east of the Downtown. Despite being predominately comprised of commercial and retail land uses, these areas traditionally lag behind Santa Cruz's central business district along Pacific Avenue in terms of commercial rents, property occupancy, and economic output. Recommendations that relate to retail, access, and parking are as follows:

- Promote compact mixed-use development.
- Promote ground floor retail and housing as a complementary upper floor use.
- Promote river-oriented development.
- Provide clear and attractive wayfinding between the Downtown, the River, and the Beach Area.

- Provide wayfinding for the San Lorenzo Riverway that will enhance pedestrian and bicycle use of the riverway and improve east/west connectivity between the Downtown and the River.
- Create a system of public and private parking structures that reduce the visual and spatial prominence of surface parking and the automobile.

The current modifications to the Downtown Recovery Plan reinforce the recommendations from the River/Front Lower Pacific Design Guidelines and Development Incentives by codifying the concepts from the 2010 study. The development standards under consideration address many of the land use policies previously recommended, but the modifications to the Downtown Recovery Plan will not include implementation of wayfinding or parking management strategies.

Santa Cruz Downtown Retail Strategic Plan

In 2000, the City of Santa Cruz completed a strategic plan to bolster retail activity in the Downtown. The goal was to provide incentives to attract new retailers to locate on Pacific Avenue, providing more retail options. Four strategies were implemented as part of this plan: provide financing incentives, establish clear zoning regulations, recruit new establishments, and create a marketing and maintenance program.

Santa Cruz Trolley Routing Study

Submitted in February 2015, the Santa Cruz Trolley Routing Study provides a detailed evaluation of the benefits and operating characteristics associated with the following potential actions or modifications to the existing Santa Cruz Trolley service:

- Providing a trolley-only lane of Pacific Avenue between Center Street and Beach Street;
- Extending the Santa Cruz Trolley route to the Santa Cruz Beach Boardwalk; and
- Operating a combined Santa Cruz Trolley route that connects the existing stops with the stops served by the privately-operated service.

Analysis of the potential benefit of adding a dedicated trolley-only lane indicated that trolley vehicles could expect 162 second (2.7 minute) travel time reduction along the segment during high-season weekend periods. Street modifications to implement the lane would result in the loss of approximately 14 on-street parking spaces. Parking concerns could be lessened if the lane permitted parking in off-peak periods. Analysis of a route extension to the Boardwalk concluded that with the existing trolley fleet the service would require an additional 1.9 minutes and 2.4 minutes of travel time in the weekday and weekend peak periods, respectively. If an additional trolley was added to the fleet, peak headways could be reduced from 34 to 17 minutes on weekdays and from 20 to 14 minutes on weekends—a difference that is likely to result in increased usability and ridership. Finally, analysis of a hypothetical combined trolley route with stops at the County Government Center and Boardwalk, which is currently served by the privately-operated Seaside Company shuttle, predicted a 17 minute increase in travel time to serve an additional 1.25 miles. Ridership projections predicted a combined daily weekend ridership of over 1,500.

Feasibility Study for a Permanent Mixed-Use Arena Facility

In 2015, the City commissioned a study to examine the feasibility of developing a permanent mixed-use arena facility for the use of the Golden State Warrior's minor league affiliate basketball

team the Santa Cruz Warriors. Market analysis done for the study suggests that a 3,500-seat arena would be suitable for a location within or convenient to Downtown Santa Cruz.

The current short-term arena, which was opened December 2012, now seats 2,505 spectators and parking is provided off-site in nearby public and private surface lots, on-street spaces, and downtown parking facilities. A 2012 study on Santa Cruz Downtown Short-Term Basketball Arena Parking suggested that a 2,900-seat facility would require an additional 827 spaces, while a 4,000-seat facility would require an additional 1,140. This earlier study assumed that parking demand would correspond to the ratios set out in the city's zoning code requirements, and that existing downtown parking facilities were located just beyond a reasonable walking distance from the likely arena.

Through promoting a sports and special events-centric business model, the 2015 Permanent Mixed Use Area Feasibility Study estimated that the recommended arena could be used nearly 360 days per year for a mixture of local and regional sporting games and tournaments. The typical season for the Santa Cruz Warriors begins in November and ends in April. Home games are typically played on evenings (7:00 or 7:30 p.m.) Monday through Saturday and afternoons on Sundays (2:00, 3:00, or 5:00 p.m.).

A test fit analysis ensured that the recommended uses could be feasibly accommodated in the two highest rated potential sites for the facility: the site of the existing Kaiser Permanente Arena located along Front Street and the Laurel Street Extension to the south of Downtown Santa Cruz, and Depot Park located along Center Street and Washington Street approximately half a mile south of the center of Downtown Santa Cruz.

3 LAND USE AND TRANSPORTATION

CONTEXT

Land Uses, Destinations and Events

Downtown Santa Cruz is the largest central business district in Santa Cruz County. There are more than 200 stores and restaurants; over 100 are locally owned one-of-a-kind establishments.

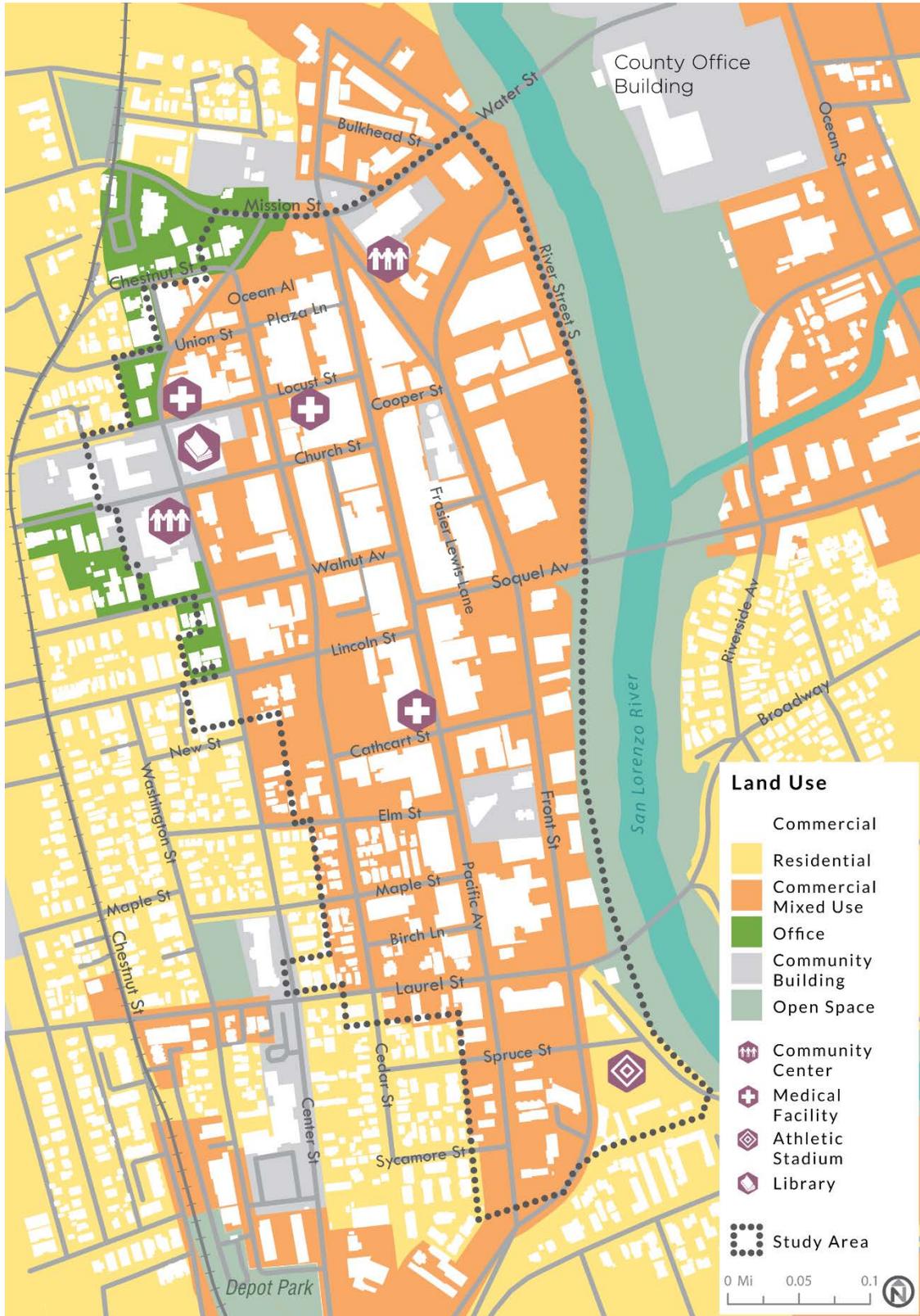
Existing land uses within the study area are shown in Figure 2. The majority of the study area is designated commercial and is comprised of a diverse collection of restaurants, retail stores, entertainment, banks, and lifestyle services. The area also has three medical facilities, two community centers and a public library. The northeastern edge of the study has the majority of office uses, and the study area is surrounded by residential uses.

There are parking lots dispersed throughout the study area and there is open space along the river and two parks along Front Street and Cedar Street. A variety of public events are held throughout the year in Downtown Santa Cruz, including food and art festivals and parades. Regularly held events include a farmers market, held every Wednesday and an antique fair, held the second Sunday of every month.¹



¹ Downtown Santa Cruz event information: <http://www.downtownsantacruz.com/wordpress/2016-calendar/>

Figure 2 Land Uses and Destinations

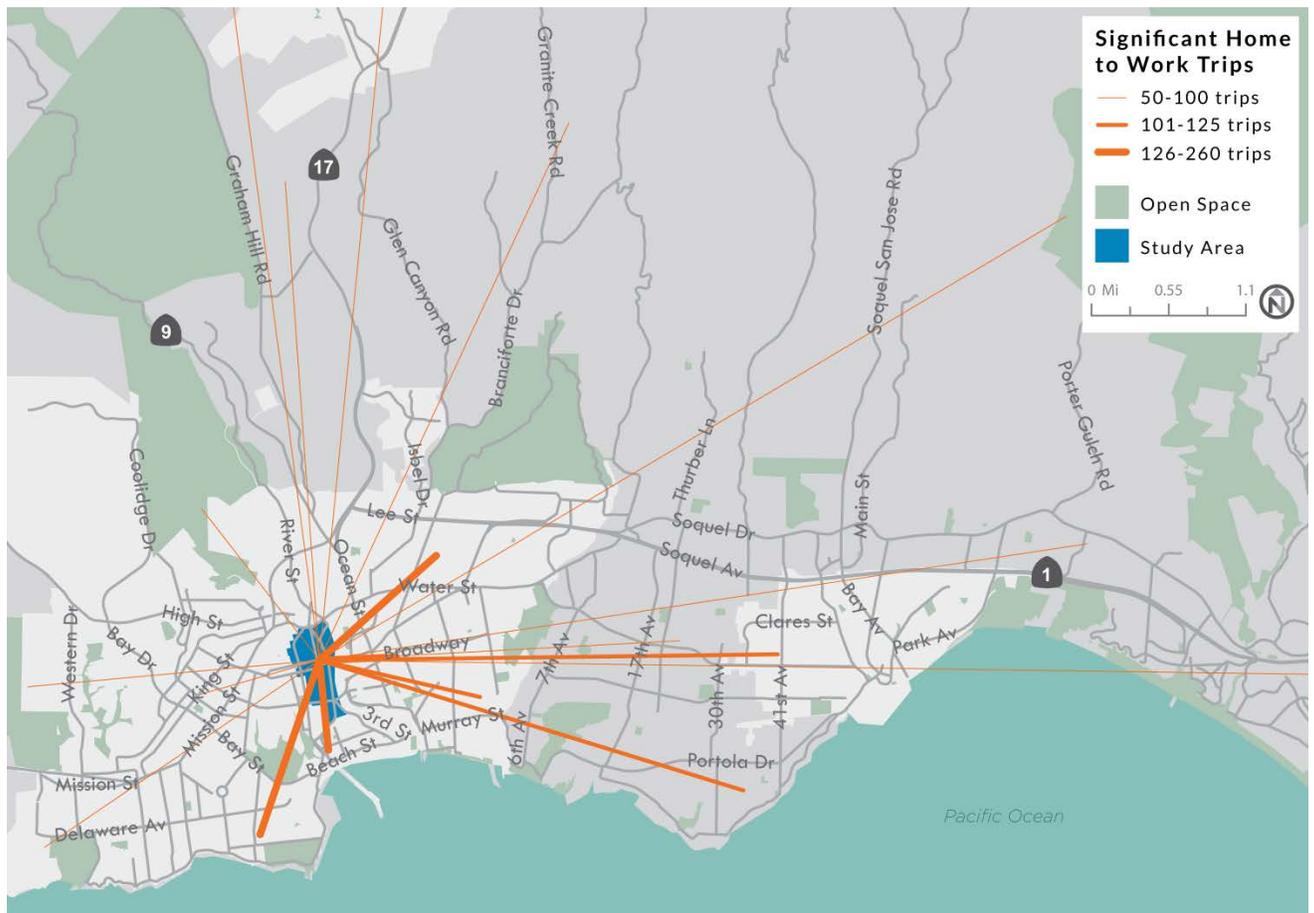


Commute Origins

Mapped in Figure 3 are home to work trip pairs where the destination is located in a Census tract within the study area. This analysis reveals that a majority of those commuting to work in the study area are coming from local origins in Santa Cruz County within a five mile radius of the Downtown Santa Cruz. This range of home locations includes various neighborhoods within Santa Cruz, as well as Capitola, Live Oak, and Twin Lakes.

A smaller number of workers in the Downtown come from more distant locations across the Santa Cruz Mountains. Given the direction of regional public transit services, these commuters would be difficult to serve by public transit and are likely to commute by driving alone.

Figure 3 Origin and Destination Trip Pairs



Source: LEHD Origin-Destination Employment Statistics, 2014.

The above findings are based on Longitudinal Employer-Household Dynamics (LEHD) Origin-Destination Employment Statistics (LODES) data, which are derived from state-federal partnership combining state employment data and US Census data. This data is considered to be very accurate, but may be affected by the following sources of error:

- **Headquartering.** State employment data may tend to overemphasize headquarters, when in fact some employees may be commuting to other worksites.
- **Informality.** Workers who are not in the formal economy will not be included in the dataset and therefore their commute trips will not be reflected in the data.

DOWNTOWN ACCESS AND CIRCULATION

Non-Motorized Transportation

Non-motorized transportation is not only affected by the presence and quality of sidewalks and bike facilities within an area, but is strongly affected by more contextual conditions relating to street layout, street profile, intersection conditions, land use, and building form. These elements are described below.

Street Layout and Walkability/Bikeability

Downtown Santa Cruz is laid out within a traditional street grid network (see Figure 4). In contrast to street layouts from the late twentieth century (with disconnected cul de sacs, long curvilinear streets, and wide arterials), traditional grid networks provide more walkable and bikeable conditions. The short blocks and high level of street connectivity provide a choice of route for pedestrians, cyclists and motorists alike.

Streets, Sidewalks and Bike Network Facilities

Most streets within Downtown Santa Cruz are relatively narrow, with 11-foot traffic lanes, with one traffic lane in each direction, parking on both sides, and 7- to 15-foot sidewalks. Wider sidewalks are provided along streets with high commercial, retail, and entertainment uses.

This street profile encourages relatively slow traffic speeds and easy pedestrian crossing profiles. As the primary commercial corridor, Pacific Avenue has street trees, street furniture, and lighting to create a pedestrian environment that is perceived as comfortable and secure. Many other streets within Downtown do not have street furniture or landscaping, which reduces walkability and sense of enclosure along these streets.

The bicycle network consists of slow-speed neighborhood streets, Class II bike lanes along arterials, and a Class I off-street multi-use path along the San Lorenzo River. Within the study area, Class II bike lanes are generally five feet wide, and are positioned between the traffic lane and parking lane. On higher speed roads and busy commercial, these facilities may not be attractive to a large proportion of potential cyclists due to a lack of separation from traffic and the risk of dooring collisions. Front Street from Mission and Water Streets to River Street is one-way southbound with a southbound bike lane. Front Street from River Street to Cathcart Street has bike lanes in both directions.



Intersections

Many intersections in the area are marked with crosswalks and have ADA accessible curb ramps, which are currently being upgraded throughout the area. As these upgrades take place, bulbouts are being installed to increase pedestrian visibility and reduce traffic speed and crossing distances. A number of intersections do not yet have crosswalks on all legs.

Land Uses and Building Form

The mix of uses and type of street network in Downtown Santa Cruz provides comfortable and convenient connections to jobs, services, and recreational uses. The mix of land uses also improves walkability and reduces the need for some vehicle trips due to internal capture of trips within the district.

Walkability deteriorates in the vicinity of parking facilities around the edges of the Downtown due to the resulting gaps in active street frontage, human-scaled elements and 24-hour presence, and the presence of blank walls, blind spots, poor quality materials, and low quality design. As described by various urban design scholars, including Jane Jacobs, these types of spaces typically attract less desirable activities.

Bike Parking

The study area has both short- and long-term bike parking as required under the Municipal Code. Short-term bike parking is available on sidewalks along the bicycle network and each inverted u-rack can hold two bicycles. Secure long-term bike parking includes over 100 secure Smart Bicycle Lockers in nine locations including off-street parking facilities. To access these lockers a Santa Cruz ParkCard or BikeLink Card (smart cards) can be used for lockers within the city or bay area respectively. These cards can be purchased online or at a variety of vendor locations. Bike lockers cost five cents per hour and may be rented for up to nine days at a time; payment is automatically deducted from an amount stored on the smart card.²



Transit and Trolley Operations

Santa Cruz Metro

Santa Cruz METRO operates transit service on 33 fixed-route bus lines as well as Americans with Disabilities Act (ADA) demand-responsive paratransit service, called ParaCruz. METRO's 33 fixed routes primarily serve Santa Cruz County. METRO operates four transit centers in the Santa Cruz area, including the Santa Cruz METRO Center in Downtown Santa Cruz, the Capitola Mall Transit Center, the Watsonville Transit Center, and the Cavallaro Transit Center in Scotts Valley. Metro Center, also known as Pacific Station, is located at 920 Pacific Avenue and served by all METRO routes except 33-34, 54-56, and 72-76. Transit routes are displayed in Figure 4 and frequencies are shown in Figure 5. While METRO serves a large range of Santa Cruz County destinations from the Downtown transit center, transit utility and ridership is diminished by the infrequent service or long wait times on almost all of the routes, as well as impacts from a series of transit service reductions over the past years.

² Santa Cruz Bicycle Parking Program, <http://www.cityofsantacruz.com/departments/public-works/traffic-and-parking/bicycle-pedestrian-facilities-and-programs/bicycle-parking-programs>, accessed July, 2016.

Figure 4 Multimodal Networks

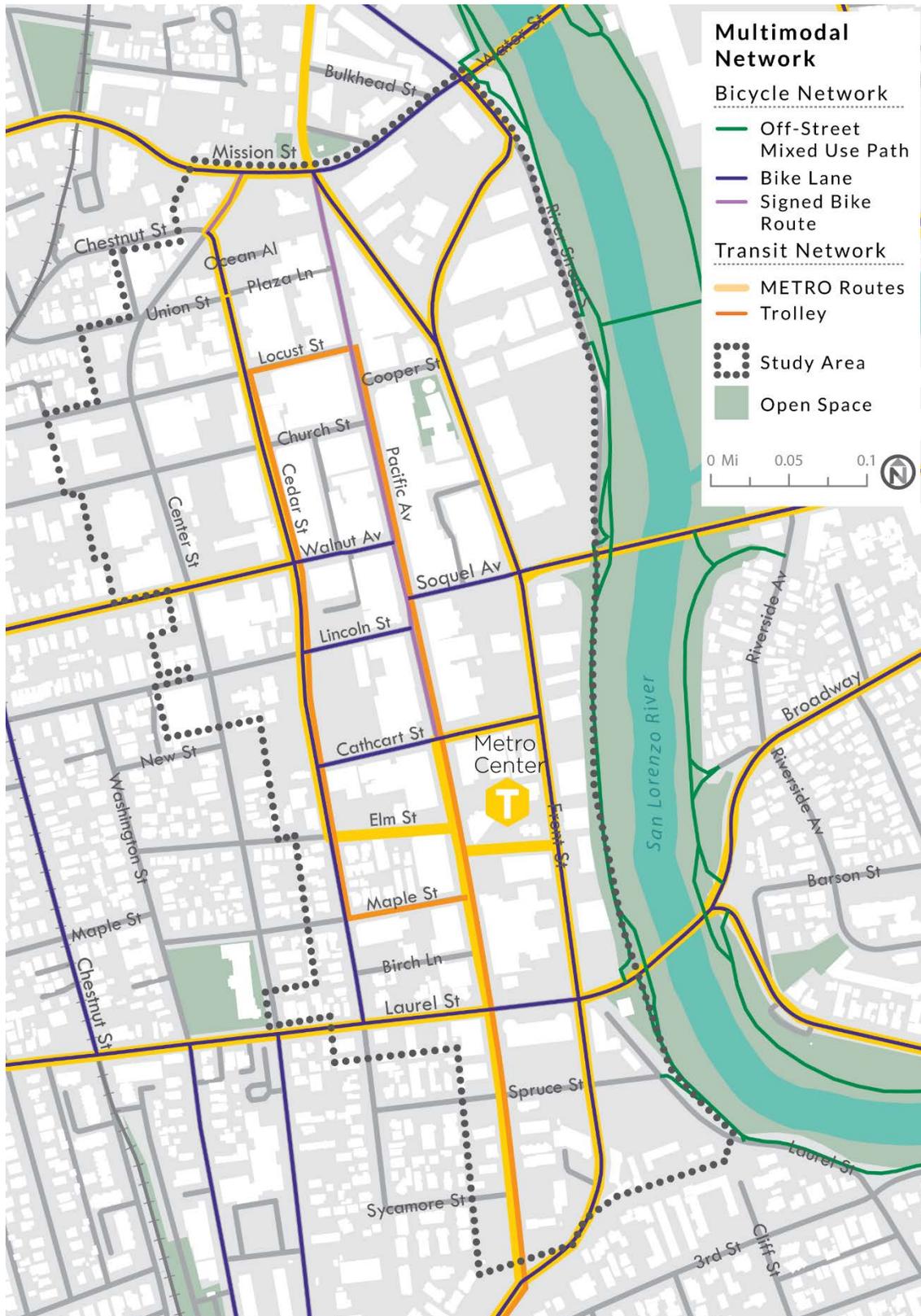


Figure 5 Downtown METRO Center Fixed-Route Services, July 2016

Route	Description	Service Region	Peak Headway (min)	Midday Headway (min)
Hwy 17	Amtrak Highway 17 Express	Santa Cruz to San Jose	20-30	55-60
3	Mission/Natural Bridges	Local Santa Cruz	60	60
4W	Harvey West	Local Santa Cruz	120	120
4	Harvey West/Emeline	Local Santa Cruz	60	60
8	Emeline	Local Santa Cruz	One AM Trip	N/A
10	UCSC Via High	UCSC and Westside	60	60
16	UCSC Via Laurel East	UCSC and Westside	30	30
19	UCSC Via Lower Bay	UCSC and Westside	30	30
20	UCSC Via Westside	UCSC and Westside	60	60
30	Graham Hill/Scotts Valley	Scotts Valley/SLV	4 Daily Trips	N/A
35	San Lorenzo Valley (SLV)	Scotts Valley/SLV	30	30
35A	SLV Via Scotts Valley Drive	Scotts Valley/SLV	30	30
40	Davenport/North Coast Beaches	North Coast	4 Daily Trips	N/A
41	Bonny Doon	North Coast	4 Daily Trips	N/A
42	Davenport/Bonny Doon	North Coast	One PM Trip	N/A
66/66N	Live Oak Via 17th	Live Oak	60	60
68	Live Oak Via Broadway/Portola	Live Oak	60	60
69A	Capitola Rd./Watsonville Via Airport B	Cabrillo/South County	30	30
69W	Capitola Rd./Cabrillo/Watsonville	Cabrillo/South County	30	30
71	Santa Cruz/Watsonville	Cabrillo/South County	15-30	15-30
91X	Commuter Express Santa Cruz / Watsonville	Cabrillo/South County	30	30

Santa Cruz Trolley

The Santa Cruz Trolley provides seasonal afternoon service between downtown and the beach at the Municipal Wharf. Services operate for three months of the year, between Memorial Day weekend and Labor Day weekend. During this period, services are provided between 12:00 p.m. and 8:00 p.m. with 20-minute headways on weekends and 30-minute headways on weekdays. Currently, the City has two trolleys but is considering adding a third to expand service and/or maintain or further reduce headway times.

Downtown stops at the Del Mar Theatre and Locust Street Garage enhance coastal access by allowing beachgoers to utilize downtown parking facilities to get to the beach. Another option that has been considered is accessing the County’s parking lot on Ocean Street, which could serve as a “park and ride” lot for the beach on weekends. This, however, may require a fourth trolley. The Trolley is funded through a combination of local business sponsorships and an AB2766



grant from the Monterey Bay Air Quality Control District in cooperation with the City of Santa Cruz.

In the last three years, the Trolley has averaged more than 40,000 annual riders with a combined average of 391 daily riders and 577 daily rides on peak season weekends and holidays. Recent ridership figures are shown in Figure 6 below.

Figure 6 Santa Cruz Trolley Ridership

	Ridership 2013	Ridership 2014	Ridership 2015
Days of Service	124	101	108
Ridership	42,959	44,588	41,657
Daily Average	346	441	386
Peak Season Weekend Daily Average (inc. Holidays)	510	677	544

Vehicle Access

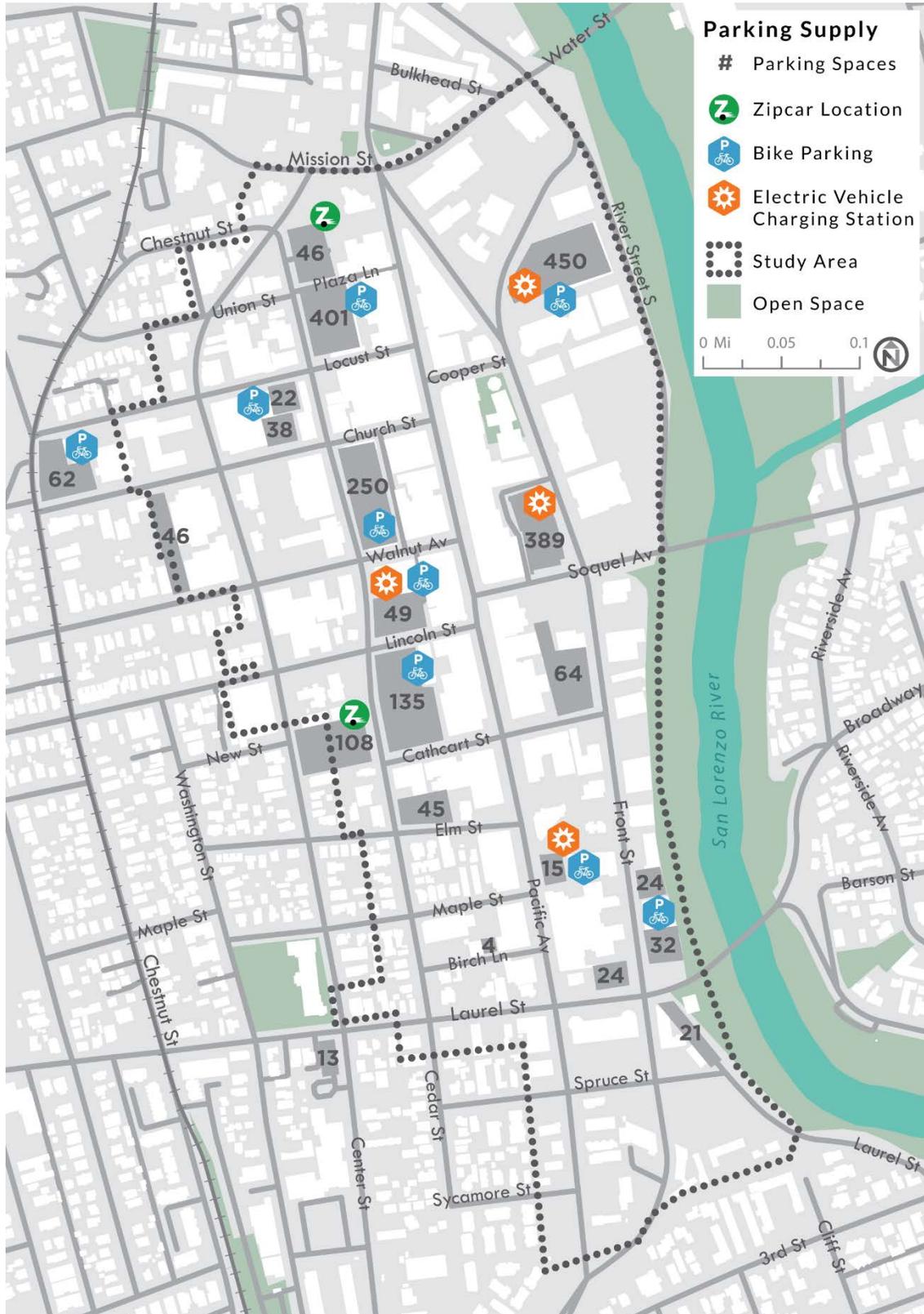
Regional access to Downtown Santa Cruz is provided by California State Route 1 (from Half Moon Bay to the north and Capitola and Watsonville to the South) and California State Route 17 (from Los Gatos and destinations in Silicon Valley to the east). California State Route 9 provides access from local destinations such as Felton, Ben Lomond, Brookdale, and Boulder Creek. Mission, River, and Water (via Ocean) Streets are the main arterial roadways that provide connectivity between Downtown and regional routes. From the Downtown area, primary access to and from the beach is provided by Pacific Avenue and Front Street. Access across the San Lorenzo River is provided by bridges on Water Street, Soquel Avenue, and Laurel Street.

PARKING

Parking Supply

There are approximately 5,319 existing parking spaces within the study area, of which off-street facilities are shown in Figure 7. Of the 5,319 existing spaces, 1,397 are located on-street, and 3,922 are located off-street at various private lots and public facilities within the study area.

Figure 7 Parking Supply



Parking Management

Downtown Parking District

Parking in Downtown Santa Cruz is managed by the Downtown Parking District, which was formed in 1956. As prescribed by the City of Santa Cruz General Plan and Local Coastal Program 1990-2005, the purpose of the District is to develop a downtown parking strategy that ensures the viability of local businesses, promotes alternative forms of transportation, and funds the cost of future parking improvements. Public parking is made available to all customers and employees in the District, allowing the City to maximize development potential while limiting the amount of property dedicated to parking.

Minimum Parking Requirements

As seen in Figure 8, Downtown Parking District minimum parking requirements are less onerous than citywide requirements. Within the boundaries of the District, (see Figure 10) new businesses are exempt from the standard minimum parking requirements applied elsewhere in the city. Business owners may provide the required amount of parking or pay a deficiency fee for each parking space not provided. Funds generated by the District are used towards servicing debt, operating and maintaining existing facilities, and building new parking facilities.

Figure 8 Santa Cruz Parking Requirements

Use	Citywide	Parking District
Office	1 space per 300 sq ft	1 space per 400 sq ft
Medical office	1 space per 200 sq ft	1 space per 400 sq ft
Retail	1 space per 250 sq ft	1 space per 400 sq ft
Restaurant	1 space per 120 sq ft	1 space per 400 sq ft
Theater	1 space per 3.5 seats	1 space per 400 sq ft
Residential	1 space per bedroom	1 space per bedroom ³

Source: Santa Cruz Municipal Code 24.12.240

Parking Deficiency Fee

Deficiency fees are charged to occupied business and residential units that do not supply their entire on-site parking requirement. When there is capacity available in public facilities within the District, the business owner has the option to pay a deficiency fee for the number of deficient spaces (Required spaces minus On-site spaces). Deficiency fees within the District are assessed at \$425/deficient spaces per year or \$106.25/deficient spaces per quarter. Businesses receive credit for all on-site spaces that meet Zoning Ordinance requirements.

Parking In-lieu Fee

When a development project cannot meet its on-site parking requirements, and Public Works and the Downtown Commission determine that there is sufficient benefit for the project to proceed, the Downtown Commission may recommend that the City Council allow the project to proceed

³ The requirement for SROs and Senior Housing is 0.25 spaces per bedroom.

with payment of a one-time fee in-lieu of provision of required parking. In-lieu fees for the study area are listed below:

- SRO/Efficiency Unit - \$8,000/unit
- One Bedroom - \$8,000/unit
- Two Bedroom - \$10,500/unit
- Three Bedroom - \$13,000/unit

In contrast to the deficiency fee, which is charged to the businesses, property managers, or tenants, the in-lieu fee program is focused on developers. So far, no developer has ever participated in the parking in-lieu fee. Instead, most developments opt to use the deficiency fee, which is charged to businesses or tenants on an ongoing basis.

Parking Revenue

Three elements form the base of financing for the Downtown Parking District's Parking Fund:

1. Downtown meter, lot, and garage fees
2. Downtown lot and garage permit sales
3. Deficiency fees paid by Downtown businesses

Citation revenue from parking violations is returned to the City's General Fund.

In FY15 the Parking District generated over \$4.4million in revenue, over a third of which was generated by off-street fees compared to just over a quarter for on-street fees. Deficiency fees and permit sales generated 18% and 17% of revenue, respectively.

The Parking Fund is used to finance a wide variety of improvements within the District including the following:

- Parking facility maintenance and cleaning
- Meter and pay station maintenance and revenue collection
- Public restroom program
- Sidewalk/alley scrubbing
- EV charging stations
- TDM Programs (ZipCar, Trolley, bike lockers, Bike to Work Day)

Downtown Residential Parking Permits

The Downtown Residential Parking Permit Program allows residents to park in residential time restricted areas and at posted exempt meters in the Downtown Residential Program Area. Residents within the Downtown Parking Districts may purchase up to three annual resident and two annual guest permits per household. Permits are \$25.00 each, with up to 30 daily permits per household available for \$2.00 each.

Commuter Parking Permits

The Commuter Parking Permit Program allows commuters to park on a designated block face of residential parking program areas. These permits exempt vehicles from daytime 2-hour parking restrictions within residential neighborhoods, but do not allow for overnight parking. Commuter permits are available for purchase by employees and business owners that work adjacent to the

Program Area. Commuter permits cost \$28 per month and are valid on a quarterly basis. They can be purchased for each quarter or an entire year.

Parking Permits

Parking permits for off-street and structured lots are only available to employees and residents of the Downtown Parking District. As shown in Figure 9 there is a waitlist for permits with over 700 people on it with an average wait time of 10 months. These permits may also be used on long-term parking meter spaces (shown as blue in Figure 10).

Figure 9 Parking Permit Waitlist – August 2016

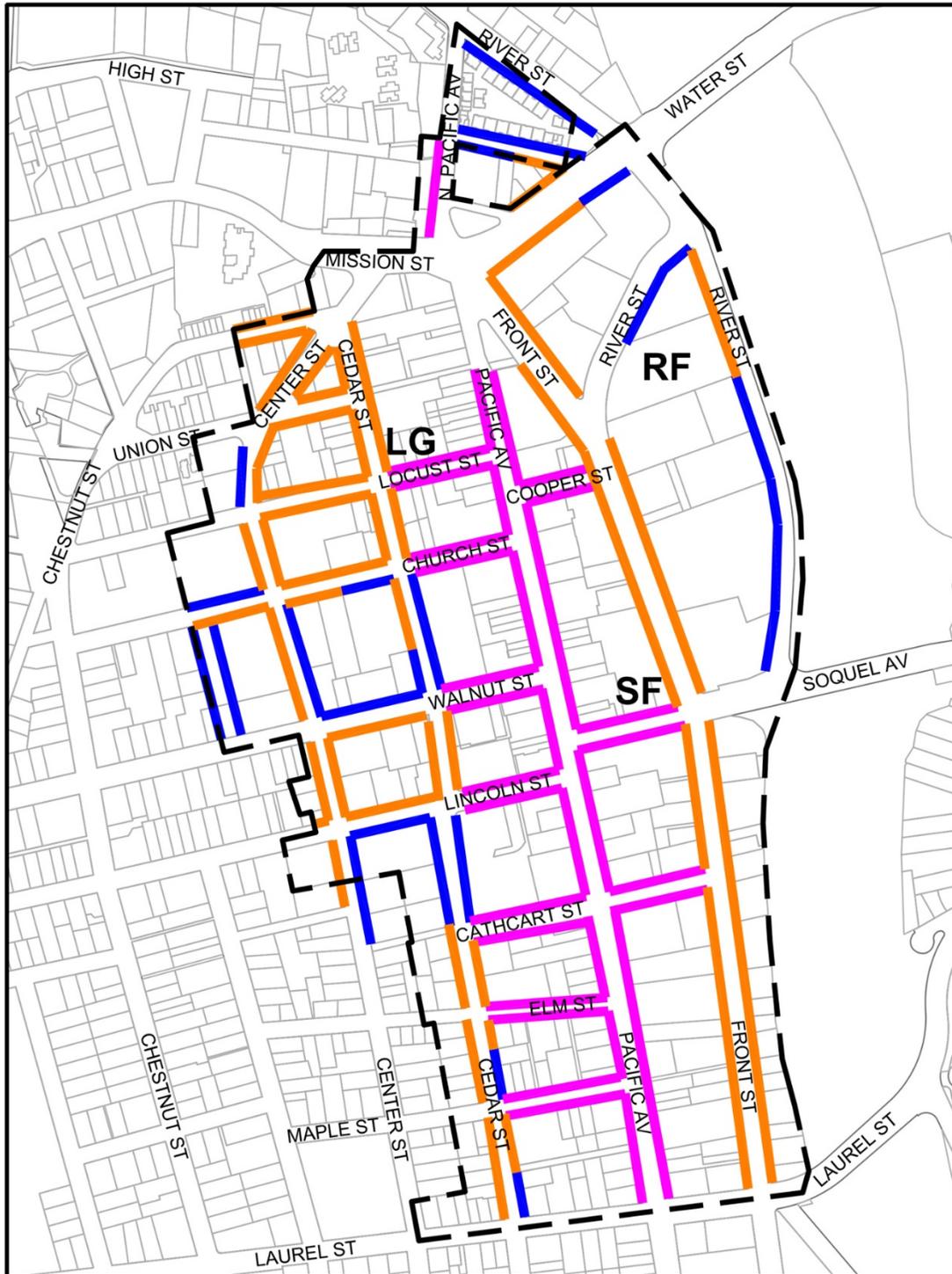
Facility	Max Permits	Waitlist	Approx. Wait
12 HR METER	147	113	12 months
SOQUEL/FRONT	500	243	12 months
LOCUST GARAGE	475	228	6 months
LOT 5 CALVARY CHURCH	121	74	12 months
LOT 10 RIVER/FRONT	550	55	3 months
LOT 16 SENTINEL	10	51	60 months
LOT 20 BIRCH LANE	3	3	14 months
LOT 23 FRONT/LAUREL	9	2	6 months
LOT 27 LAUREL/FRONT	16	2	12 months
TOTALS	1831	771	Average Wait: 10 months

Monthly permit prices, which are set by the Downtown Commission, are currently \$35.00, which is equivalent to \$1.79 per working weekday. Permit prices increase by \$2.00 per year and are capped at \$45.00 per month, which is equivalent to about \$2.31 per working weekday.

Parking Fees and Restrictions

On-street meter rates range from \$0.50 to \$1.00 per hour depending on their relation to the core; rates per hour double following the initial two hours. A map of on-street meter rates within the Downtown Parking District is shown in Figure 10. Of the 22 publically available off-street parking facilities within the study area, 13 are paid and nine are free with time limits. An inventory of off-street facilities with regulations, fees, and features is provided in Figure 11.

Figure 10 Downtown Parking District On-Street Meter Rates



- Downtown Parking District
- \$0.50
- \$0.75
- \$1.00

DOWNTOWN SANTA CRUZ ECONOMICS OF PARKING | EXISTING CONDITIONS AND TOOLBOX
City of Santa Cruz

Figure 11 Off-Street Parking Fees and Regulations

Facility	Location	Spaces	Features	Regulations	Rates
Soquel/Front Garage	Soquel Ave/Front St.	389	EV Charging	Paid hourly (2-hour minimum)	\$1/hour (\$0.50 - \$1 after 2 hours) Daily Max: \$5.00 Permit: \$35.00/month
Locust Garage	Cedar St/Locust St.	401	Bike Lockers		
River/Front Garage	River/Front St.	450	Bike Lockers EV Charging		
Walnut Tree Lot	Cedar Street (Union/Center)	46	Open 24 hours – Daily Bike Lockers Zipcar	3-hour limit Mon-Sat 8AM – 6PM	Free
Front/Cathcart Lot	Front/Cathcart St.	64	Open 24 hours – Daily		
South Pacific Avenue Lot	902 Pacific Ave.	15	EV Charging Open 24 hours – Daily		
Cedar/Church Garage	Cedar St. at Church St/Walnut Ave.	250	Bike Lockers Pay-by-Space Pay-by-Phone	Paid hourly 8AM – 8PM	\$0.50/hour Daily Max: \$5.00
Cedar/Cathcart Lot	Cedar at Cathcart St/Lincoln St.	135	Closed Wednesday (12PM – 7:30PM for Farmers Market) and 2 nd Sunday of month for Antique Faire Bike Lockers Pay-by-Space Pay-by-Phone		
Calvary Church Lot	Center/Lincoln St.	108	Pay-by-Space Pay-by-Phone Zipcar		
Pearl Alley Lot	Cedar/Lincoln St.	49	EV Charging Bike Lockers Pay-by-Space Pay-by-Phone	Paid hourly 8AM – 8PM	
Elm Street Lot	Cedar/Elm St.	45	Pay-by-Space Pay-by-Phone		
Civic Auditorium Lot	Church St. at Center St/Chestnut St.	46	Meters	Paid 8AM – 8PM	\$0.50/hour
Laurel Extension Lot	Laurel/Spruce St.	21	Meters ADA parking for arena events		\$0.75/hour for first 2 hours, \$1.50/hour thereafter

Facility	Location	Spaces	Features	Regulations	Rates
Front Street South Lot	328 Front St.	24	Open 24 hours – Daily	3-hour limit Mon-Sat 8AM – 6PM	Free Arena Events: \$10.00
City Hall Lot	809 Center St.	62	Bike Lockers	3-hour limit Mon-Sat 8AM – 6PM Employee Reserved	Visitor: Free
Library Lot	Locust Street at Cedar/Center St.	22	Bike Lockers		
Police Lot	Center/Laurel St.	13	-		
Sentinel Lot	Church Street at Cedar/Center St.	38	Pay-by-Space Pay-by-Phone	Paid hourly 8AM – 8PM	\$0.50/hour Daily Max: \$5.00 Permit \$90.00/qtr
Birch Lane Lot	Birch Lane at Pacific/Cedar St.	4	Permit Only	Permit Only	Permit:84.00/quarter
Upper Front Street Lot	440 Front St.	34	Private Mon-Fri	3-hour limit Sat 8AM – 6PM	Free
Front/Laurel West Lot	Front/Laurel St.	24	-	3-hour limit Mon-Sat 8AM – 6PM	Free Arena Events: \$10 Permit: 90/quarter
Front/Laurel East Lot	Front/Laurel St.	32	Bike Lockers		

Validation

Validations for patrons can be used in lieu of payment at the Locust, Soquel/Front, and River/Front Garages. Two validation options are available: (1) 100% validation for which a business billed every quarter for the total amount of parking used through their validations stamps, and (2) 2-hour validation which is worth \$1.00 or 2 hours of parking per stamp and sold as a book of 100 stamps for \$50 (a 50% discount). More than 20 Downtown businesses utilize one of the two validation programs for their customers and/or employees. About half of these businesses offer 100% validation and half offer 2-hour validation.

Payment Methods

ParkCard

The Santa Cruz ParkCard is a credit card sized smart card that serves as a payment method for public parking and bicycle lockers in the city. The cards are issues at an initial non-refundable cost of \$3.00 and allow users to add value up to \$99 (minimum \$20). In addition to providing users with increased ease of payment and convenience, the cards allow for refunds to be automatically issued for any unused time at parking meters or bike lockers by reinserting the card into a meter or locker before departure. ParkCards can be purchased at the City of Santa Cruz Parking Office in the Locust Garage, any Pay-by-Space machine, and the following locations:

- Soquel/Front Garage, 601 Front St.
- Parks & Recreation Department, 323 Center St.

- Public Works Department, 809 Center St., Room 201
- Water Department, 212 Locust St., Suite D
- Louden Nelson Center, 301 Center St.
- Civic Box Office, 307 Church St.
- Central Library, 224 Church St.

Meters

Meters within the study area operate from 8:00 a.m. to 8:00 p.m. all days of the week, excluding City holidays. ParkCards and change are accepted at all meters. Change for meters is available at machines located along Pacific Avenue. A traditional Santa Cruz parking meter that has slots for ParkCards and coins is shown in Figure 12.

Figure 12 Santa Cruz Parking Meter and Change Machine



Pay-by-Space

Pay-by-space machines are located at select surface lots throughout the study area. Cash, credit cards, and ParkCards are accepted at all pay-by-space machines, which operate from 8:00 a.m. to 8:00 p.m. all days of the week, including City holidays. Such meters can have lower enforcement costs, as enforcement staff do not have to inspect each vehicle's dashboard, and can instead review payment information from handheld devices or the central parking payment machine.

Lots and garages equipped with pay-by-space machines also accept pay-by-phone payment through Parkmobile. Parkmobile allows any user who registers online to pay for parking via a mobile application or by calling a designated number. Users can opt to receive notification 15

minutes before their parking session expires and have the ability to extend their session from anywhere.

A pay-by-space machine and pay-by-phone signage seen in Downtown Santa Cruz are shown in Figure 13.

Figure 13 Pay-by-Space Payment Methods



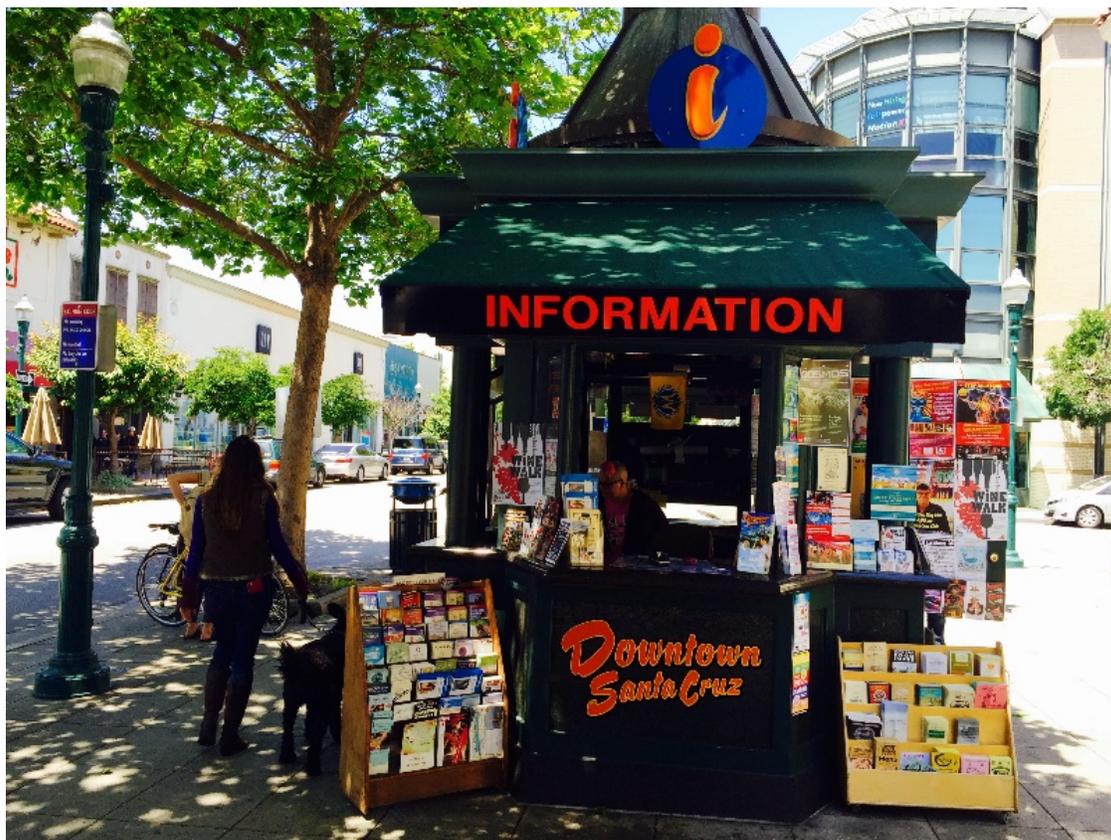
Wayfinding and Signage

As stated in the 2011 Wayfinding Report, the overarching goal for wayfinding is to implement a functional and integrated system which markets Santa Cruz and communicates that the City is unique, friendly and organized through assisting visitors in finding their way to intended destinations and locations of interest. The report identified that existing parking signage includes (1) inconsistent garage and lot identification, (2) inconsistent or lack of parking regulation and fee information, and (3) information posted in text that is too small to be easily read in a car or as a pedestrian. The most recent sign inventory collected in July 2010 counted a total of 39 parking arrival (identifies public parking facilities) and 35 parking directional (directs to public parking facilities) signs orientated towards motorists citywide.

The City is currently conducting a wayfinding design project that would include the design of an updated Citywide Parking Directional and Identification Signage Program with specific attention to the Downtown area.

The Downtown Association staffs a year round visitor information center in a kiosk on Pacific Avenue. The kiosk, shown in Figure 14, provides wayfinding and informational resources to visitors and promotes businesses and activities throughout Downtown.

Figure 14 Downtown Information Kiosk



PARKING DEMAND

Typical parking demand in Downtown Santa Cruz peaks on weekdays between 1 p.m. and 3 p.m.—a peak period that is typically associated with employment-related demand for Downtowns and CBDs. Retail-, entertainment- and tourism-oriented places tend to have peak parking demand in the evening and on weekends. Weekday midday parking peak is typical for places where employment represents the dominant source of parking and trips, in addition to retail, entertainment and tourism-related uses.

Parking utilization by time of day for off-street garages is collected throughout the year. Figure 15 through Figure 17 provide indication of peak parking utilizations throughout the day from February 2014 to June 2015. Each garage had the highest observed weekday and 7-day occupancies from 1 p.m. to 3 p.m. Weekends tend to peak a little later, with two of the garages peaking from 2 p.m. to 4 p.m. and the Soquel/Front Garage peaking from 6 p.m. to 8 p.m.

Figure 15 Locust Garage Average Occupancy by Time – February 2014 to June 2015

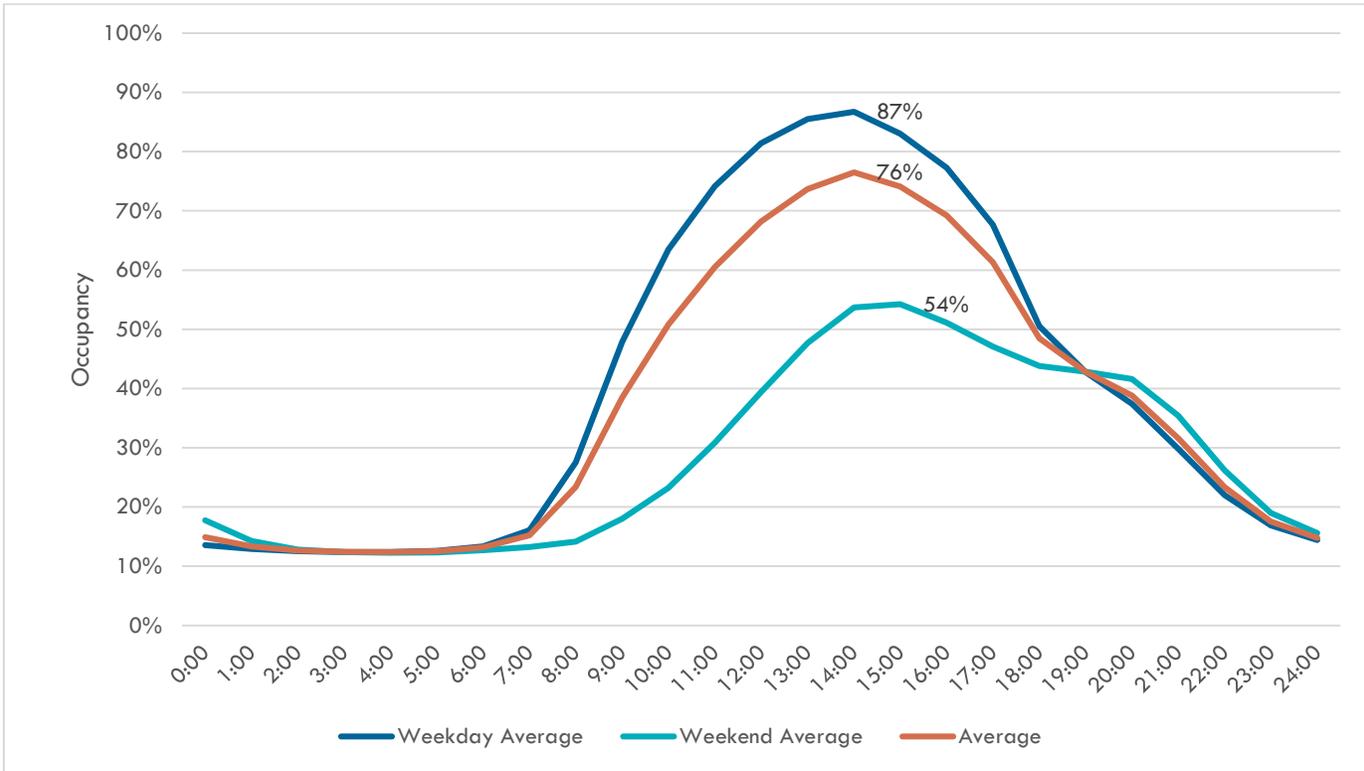


Figure 16 River/Front Garage Average Occupancy by Time – February 2014 to June 2015

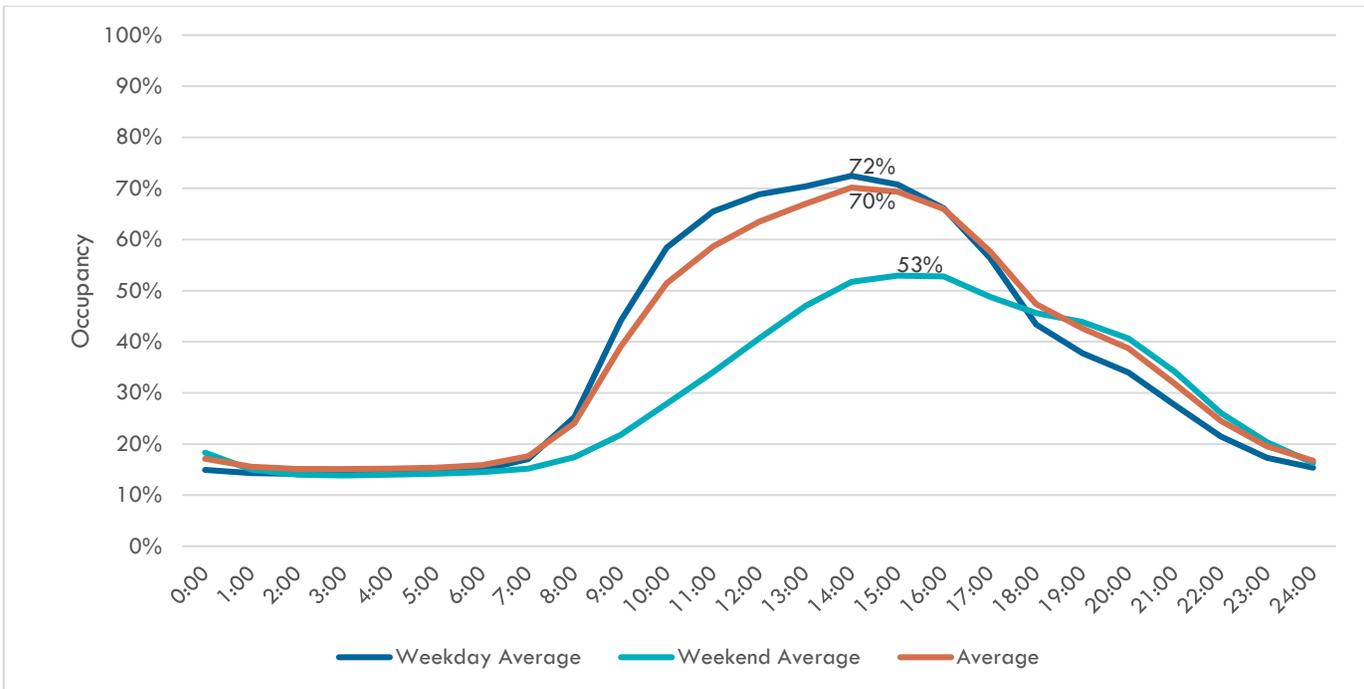
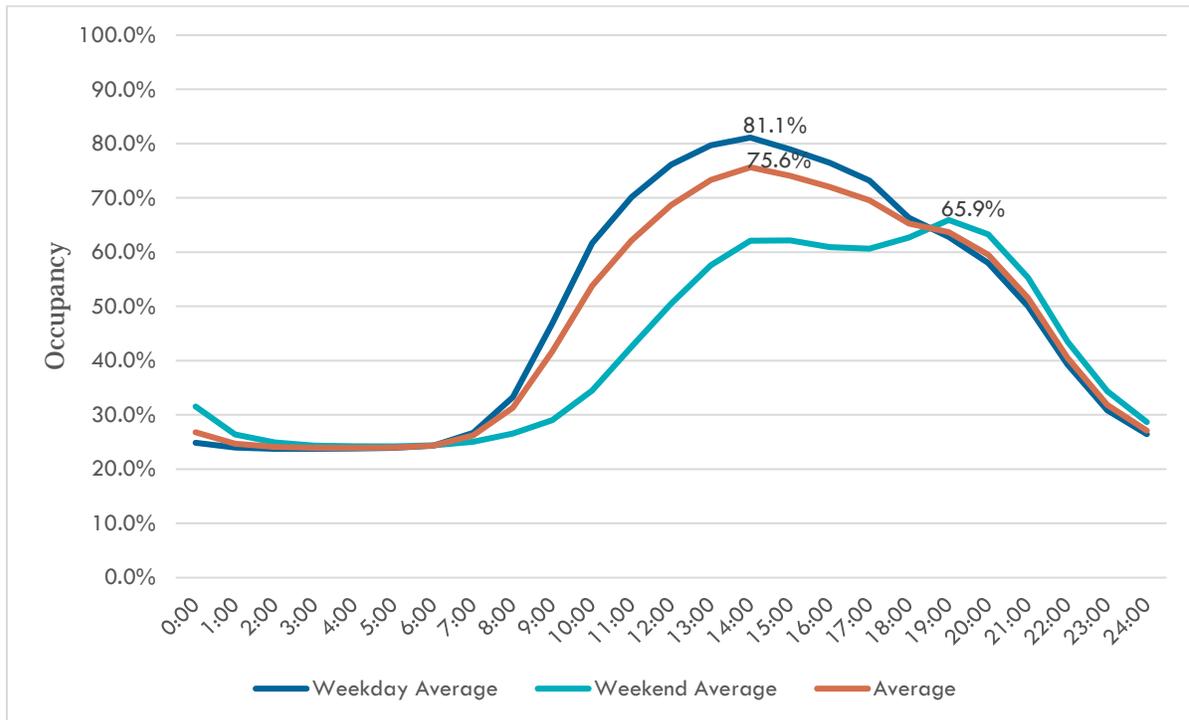


Figure 17 Soquel/Front Garage Average Occupancy by Time – February 2014 to June 2015



Citywide parking data collection focuses on the peak of the peak period, with annual parking counts performed by the City’s Parking Services Enforcement Division during peak times in June and December. The most recent surveys of peak use were conducted on Thursday, June 18, 2015 and Friday, December 18, 2015. These dates of collection coincide with peak periods for summer coastal visitors and holiday shopping, respectively. For both counts the highest observed overall occupancies occurred at 2 p.m.

Overall, peak occupancy was slightly higher during the winter counts, with 70% of on-street spaces and 72% of off-street spaces occupied in June, versus 75% of on-street spaces and 76% of off-street spaces occupied in December.

In all four cases the occupancy rates were 10-18% below the industry standard optimal peak parking utilization rate of 85% for on-street spaces and 90% for off-street facilities. Summer 2015 and winter 2015 parking utilizations are mapped in Figure 18 and Figure 19, respectively. Of public off-street facilities, only the free Walnut Tree Lot (with free parking) had a combined utilization rate over both seasons above 95%. At 92.5%, the Locust Garage has the highest annual combined occupancy of the three major downtown garages, compared to 82.5% for the Soquel/Front Garage and 79.5% for the River/Front Garage. (Parking at Locust, Soquel/Front, and River/Front is charged at a rate of \$1/hour or \$5/day.)

Counts for the Lower Pacific area south of Laurel Street were last completed in 2014 from Monday, April 14 to Sunday, April 20. Given that these counts were conducted outside of the summer and winter peak, utilization for this area was analyzed separately for this study. Counts were conducted at 7:30 a.m., 11:00 a.m., and 2:00 p.m., with peak occupancy rates occurring during the 2:00 p.m. period. Average observed on-street capacity occupancy at 2:00 pm was 22%

on weekdays and 25% on the weekend, with average off-street occupancy at five percent on weekdays and below one percent on the weekend.

Figure 18 Parking Utilization – Summer 2015

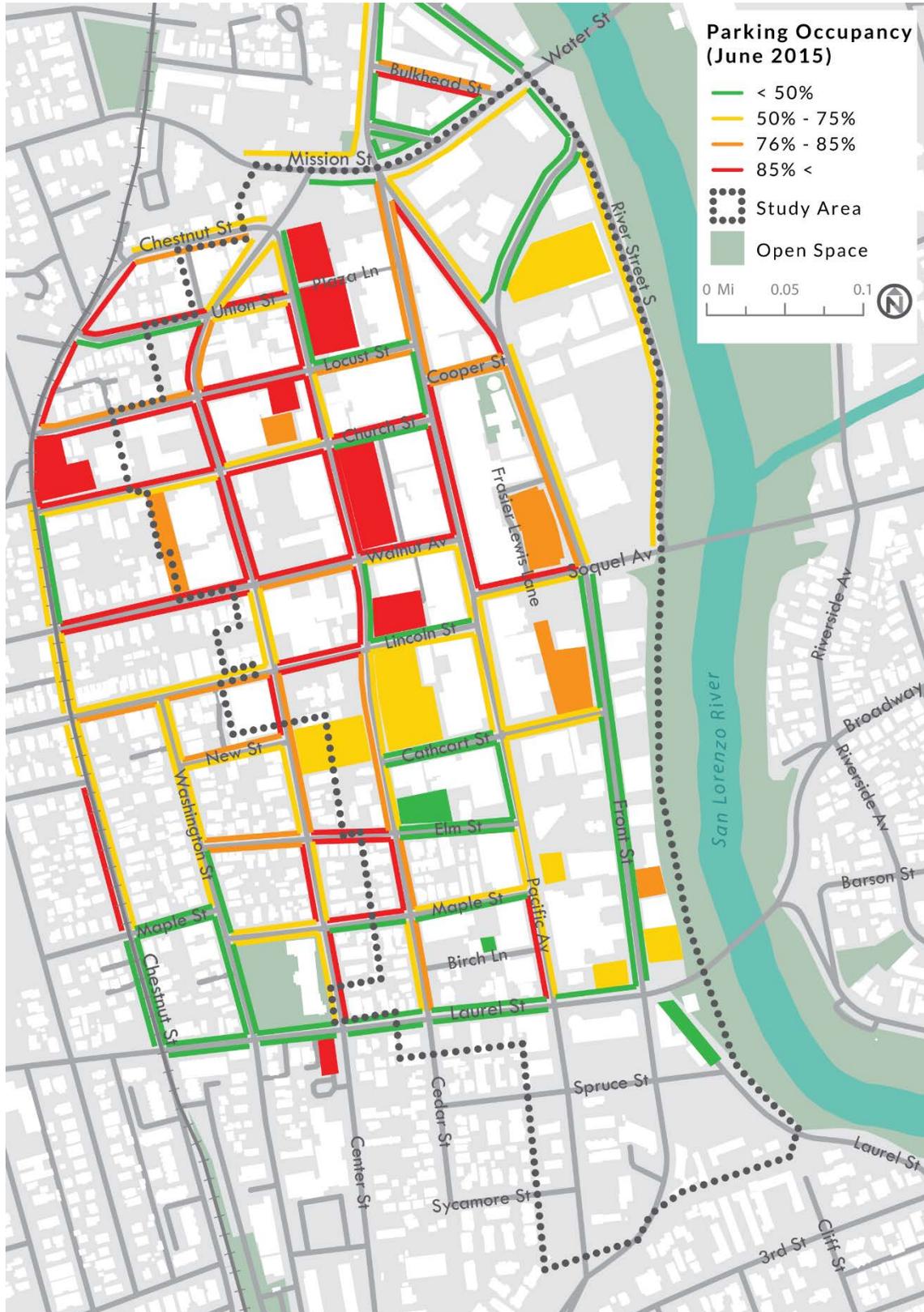


Figure 19 Parking Utilization – Winter 2015

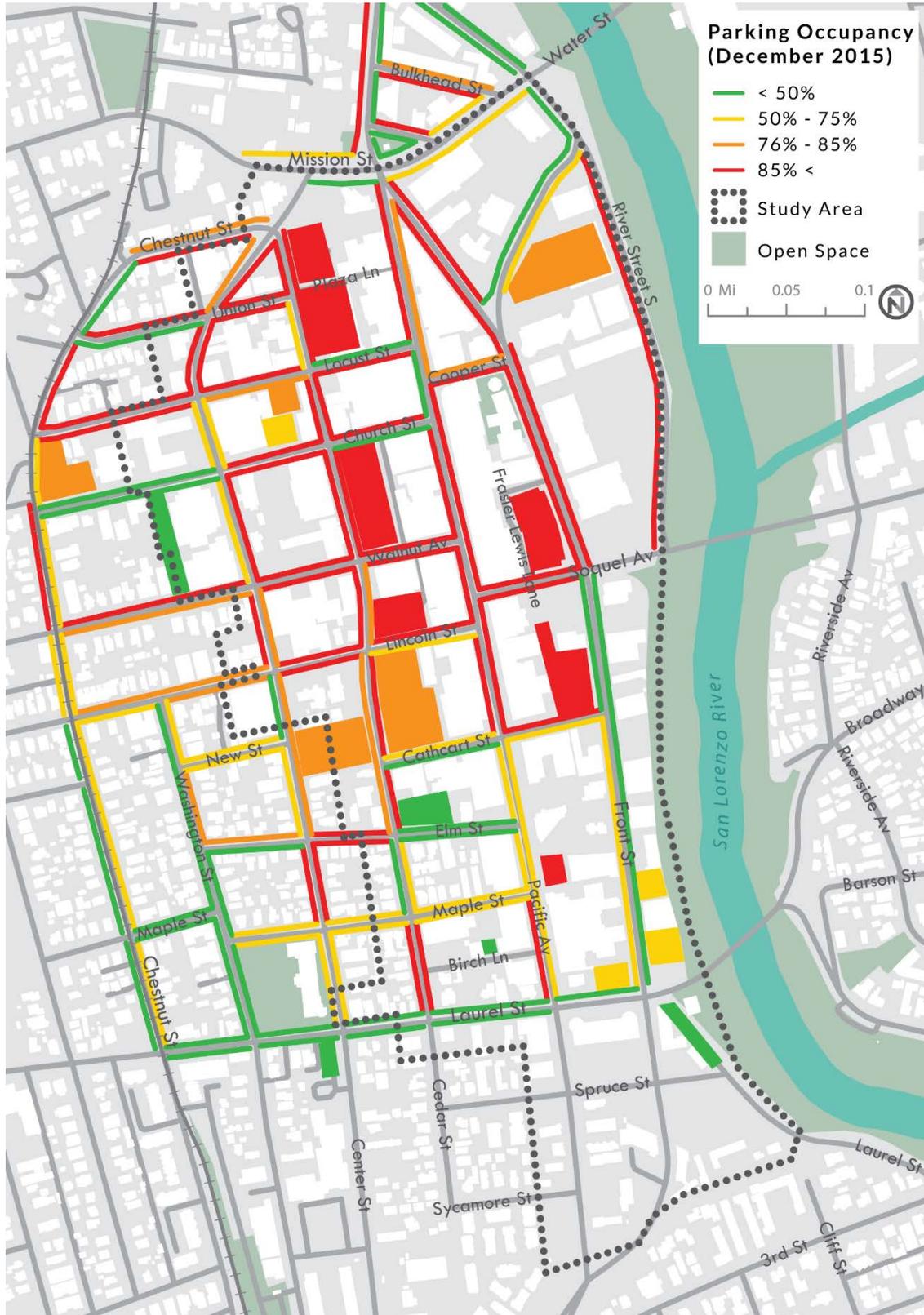
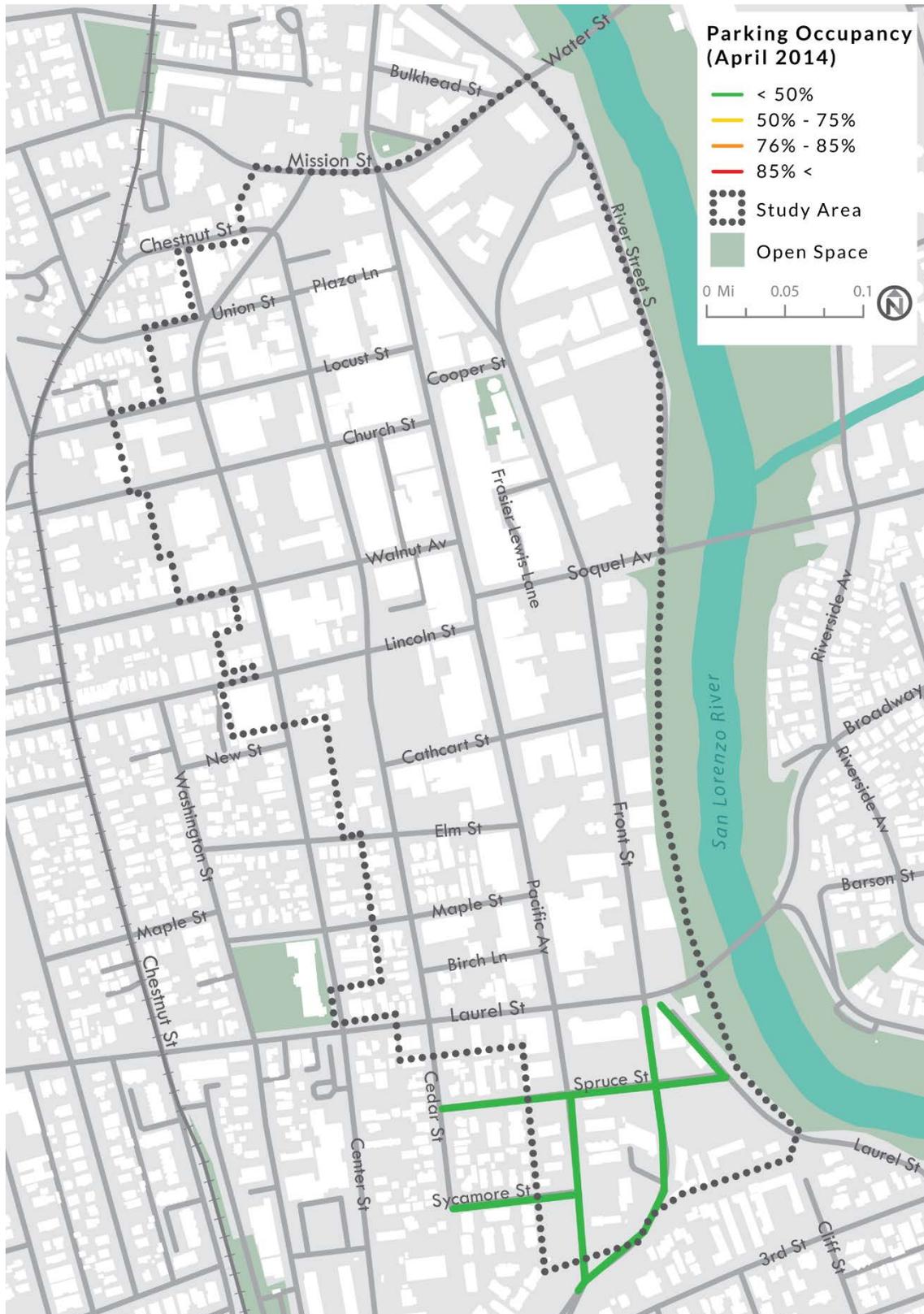


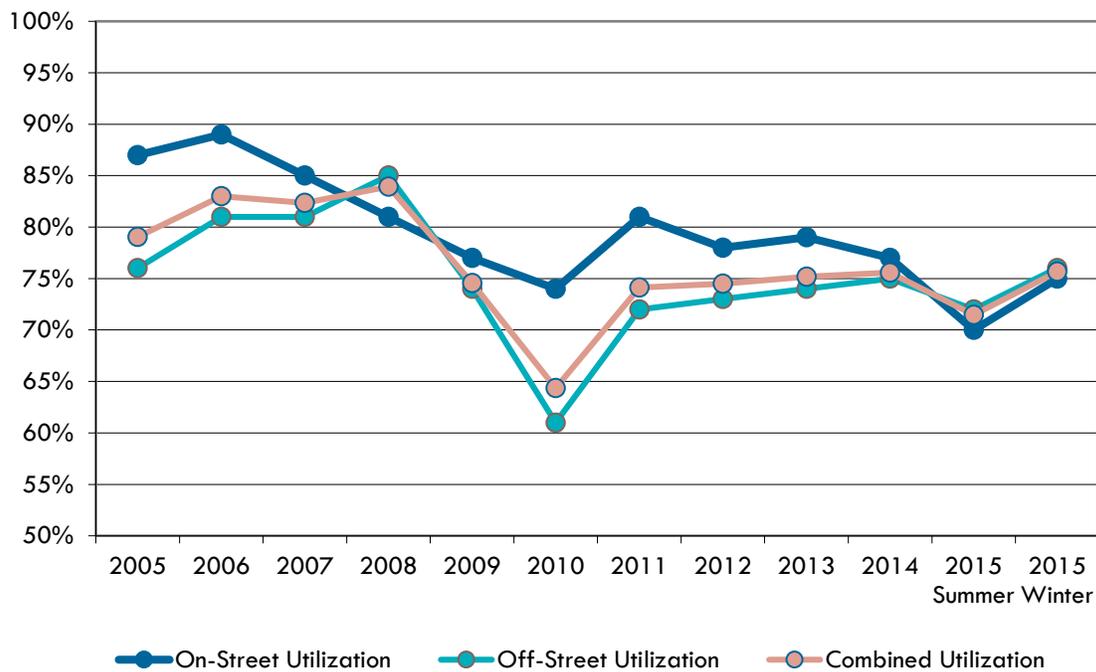
Figure 20 Lower Pacific Parking Utilization – April 2014



Over the past ten years, peak parking utilization has dropped slightly in Downtown Santa Cruz. This trend is illustrated in Figure 21, which provides a ten-year trend line analysis of observed peak parking occupancies within the Downtown area. The dramatic decline in utilization between 2008 and 2010 is a clear indication that Downtown was impacted by the Great Recession that began in December 2007 and part of the Global Financial Crisis.

In addition to a slight downward trend, parking demand has equilibrated slightly between on-street and off-street parking supplies. This can be seen as a convergence between the on- and off-street supplies. This convergence suggests that parking policy is moving in a desirable direction over all, though there is a still large degree of variability in demand for parking within different areas of the Downtown.

Figure 21 Downtown Peak Parking Utilization



4 CASE STUDIES

BACKGROUND AND METHODOLOGY

Cities with successful, historic downtowns face a unique challenge in balancing retail vitality with parking demand. As downtown districts grow and improvements are made to the mix of retailers and programming (e.g. art walks, farmers' markets, etc.), these destinations attract more users, which simultaneously bolsters economic development, while also creating parking challenges. Parking shortages are most acute in historic downtown districts that are built-out, with limited opportunities to expand parking supply.

These case studies were completed in order to understand how downtown California retail districts have managed parking challenges over time. The focus was to understand the issues faced by cities with established downtown districts, identify the parking issues faced, strategies that were executed, and perceptions by merchants about the effectiveness of these policies.

Six California downtowns were selected, representing districts of varying sizes. The purpose was to identify retail destinations at different "life cycles" to highlight how small, medium, and larger districts accommodated growth over time, with an emphasis on balancing parking needs with retail vitality.

Case study research included a review of relevant documents and interviews with staff from business improvement districts or merchant associations. The selected cities studied include Pasadena, Monterey, Pacific Grove, Santa Barbara, and San Luis Obispo.

PASADENA

Pasadena's historic downtown district was built in the 1870s, but experienced significant declines after World War II. In 1983 the City adopted an official policy to revitalize Old Town Pasadena, with a "park once" strategy as an important implementation tool, as well as bond financing to construct new public parking facilities. In 1993, the City began to install parking meters, with revenue dedicated to fund pedestrian and streetscape improvements and to service the debt incurred to build parking garages. The district today is extremely successful, and one of the premier shopping and entertainment districts in Southern California. The Old Pasadena Management District (OPMD) was created as a private, non-profit management company in 1995, and a business improvement district (BID) was established for a 22-block area in 2000, with a current annual budget of \$1.6 million (excluding parking revenue).

Land uses are typically retail and restaurant on the ground-floor, with office on the second floors and above, for a ratio of 35 percent retail and 65 percent office, according to the OPMD. Of the 300 first-floor retail sector tenants, an estimated 75 percent are local, independent retailers. The remaining 25 percent are national credit tenants like Banana Republic, Apple, Sephora, Container Store, and Cheesecake Factory, most of which are clustered along the stretch of Colorado between Pasadena Avenue and Fair Oaks Avenue. Although the OPMD actively seeks to attract more

national specialty retail, it is selective about its tenant mix and discourages the types of tenants that can be found in any regional mall (Foot Locker was the provided example.)



Source: Pasadena Dental Group

Parking Meters as a Catalyst for Change

Until 1993, Old Pasadena had no parking meters, and proposals by City staff to install them were opposed by local merchants, who feared charges would drive customers away. The compromise solution was to install the meters, but to spend all the revenue on public investments in the district. A relatively high rate of \$1 per hour (including Sundays and evenings) was agreed. The City provided \$5 million in bond funding for street furniture, trees, tree grates and historic lighting fixtures, with the meter revenue stream used to repay the debt. In 2001, about one-third of meter revenue went to debt service, with the remainder used to fund new services such as marketing, mounted police patrols, daily street sweeping and steam cleaning of sidewalks. Many of these services are provided through the Business Improvement District. Merchants' fears of driving customers away were not borne out. The Pasadena example shows that, perhaps counter-intuitively, charging for parking can actually increase business for local retailers. A study in 2001 found that the average occupancy rate for curb parking was 83%, which represents around the optimum balance between revenue/efficiency and availability. Similarly, compared to someone running a quick errand, someone with a long appointment is less inconvenienced by parking at a short distance instead of at the front door. Rather than being used all day by a single parker, metered parking can be used throughout the day by many customers who only use the spot for 15 or 30 minutes or an hour. So, while pricing cannot make more spaces it can make existing spaces more 'productive' by promoting turnover and making parking spaces more available.

Parking Credits as a Catalyst for Development

Old Pasadena's "Parking Credit Program" has also been critical to investment in the district. This program allows property owners to enter into a contract with the city to buy "zoning parking credits" in lieu of constructing additional parking spaces to satisfy minimum parking

requirements. This is not a typical “in-lieu fee” program. Instead, Former Pasadena Development Administrator Marsha Rood defines each parking credit as “an entitlement to apply parking spaces in a publicly available garage towards parking requirements for development”. The city issues 1.5 parking credits per space in the public garages, and therefore credits are finite. Since the early 2000s, additional public parking spaces have been added to the general credit pool and, dependent on demand for credits, more public spaces may be added in the future. Though the fee was originally set at a very low rate (\$50 in 1987) to encourage business development, the rate has increased following yearly CPI adjustments; in 2004, the fee was \$127 per space per year. The fee is annual, rather than a lump sum, which allows developers to avoid financing problems.

Pasadena has also adopted *maximum* parking requirements for all new development located within 1,320 feet (1/4 mile) of a light-rail station platform or within the Central District Transit-Oriented Area. Parking requirements in new transit-oriented developments are shown below:

Figure 22 Minimum and Maximum Parking Requirement in Old Pasadena

Land Use	Size	Minimum	Maximum
Multi-family residential and mixed use development with >48 dwelling units/acre	≤550 square feet	1 space/unit	1.25 spaces/unit
	>550 square feet	1.5 spaces/unit	1.75 spaces/unit
Multi-family residential in Pasadena TOD	>500 square feet		1.75 spaces/unit
Office Uses		2.7 spaces/1000 sf	2.7 spaces/1000 sf
Other Non-Residential Uses		10% less than code	Same as minimum

Downtown Parking Supply and Services

Today Old Pasadena offers more than 8,000 spaces within public and private garages, surface lots, and on-street. On-street meters operate Sunday through Thursday from 11:00 a.m. to 8:00 p.m. and Friday through Saturday from 11:00 a.m. to Midnight. Meter rates are \$1.25/hour in the core and \$0.75/hour on the periphery.

Park & Walk Facilities

The BID manages three public parking structures containing 165 spaces. These structures are stylized as “Park & Walk” facilities, with free parking for the first 90 minutes, then \$2/hour thereafter. Current usage of these garages is 2.2 million cars per annum, which frees up high value on-street spaces in front of businesses. As has been the case since the inception of the program more than two decades ago, all meter and “Park & Walk” garage revenues stay in Old Pasadena to fund streetscape and alleyway maintenance and improvement efforts by the BID.

Elsewhere within or adjacent to the District are more than 8,000 parking spaces, which are not controlled by the BID and are priced at \$5-7 for two hours. This supply includes 3,550 spaces at the Parsons campus and 2,300 in the publically-owned Paseo Colorado garages.

Universal Valet Service

Within the Old Pasadena district, the City also offers a universal valet service. The universal valet parking program allows customers to drop off their vehicles at any of the 14 valet stations in the district, most of which are located along Colorado Boulevard. Customers can then arrange to have their vehicle waiting for them at any other valet stand. Various participating merchants allow

validation that reduces the price of valet parking. The current cost is \$10 without validation, and the City does not regulate the price of valet parking.

Figure 23 Old Pasadena Parking Map

Business Perspectives on Parking

Despite the very large parking supply, interviews with BID members and retailers indicate that the business community feel that parking supply is insufficient in the district. Yet, because there are very few opportunities to construct new large parking facilities in this built-out, historic district, the BID recognizes that most parking issues will need to be addressed through managing existing resources and demand-based strategies.

To support district goals, the BID actively manages its owned-and-operated parking supply. The BID president also sits on the Parking Commission, which manages parking in Old Town through a zoning parking credit program in which private developers and tenants contract with the City to claim spaces in existing facilities for building permits and occupancy permits. Using these mechanisms, the BID strives to maintain a healthy supply of parking for retail and restaurant patrons in the core of Old Town. As a corollary, the BID uses the permitting process and a hierarchical pricing system to encourage monthly employee parking for office tenants in more peripheral locations.

Dealing with Growth in Office Employees

Parking for office employees has recently become a more pressing issue, as the district has seen an increase in conversions of traditional office space to tech and creative office space. These uses tend to have a higher density of employees than traditional office space, so demand for employee parking is increasing despite the static amount of office. The BID's expectation is that these "green" tech and creative office workers are more likely to take advantage of the two Metro Gold Line (light rail) stations and Pasadena's growing bicycle infrastructure for commuting, thereby reducing demand on parking and capturing latent demand for those who might self-select to participate in more sustainable lifestyles. The BID garages also include Carpool Only sections to encourage ride sharing to reduce demand. The BID is currently planning to install "available count" signs outside its "Park & Walk" garages.

One exception to the BID's emphasis on management and demand solutions over building additional supply is the potential for new public parking in the proposed development of the



Old Pasadena Parking and Valet Map

- Park & Walk locations - 90 min. free
- Public Parking locations
- Valet Stand locations
- Metro Gold Line stations



Parsons campus within the northwest corner of the district, which will develop 612,500 square feet of office, 17,500 square feet of ground floor retail/restaurant, and 475 residential units on the paved parking lot surrounding the Parsons office tower. The project will include a 3,300-space subterranean parking garage, a portion of which will be available as public parking.

Parking and District Hospitality

The City's universal valet service is meant to facilitate patronage of restaurants and other retailers. The valet program increases the supply of parking spaces in existing parking facilities through use of tandem parking by valet services, and effectively expands the universe of patrons willing to utilize public parking. Many merchants offer validation for discounts on valet services.

The BID and its members are sensitive to parking rates in the district, but believe that the current rates are acceptable. BID members also reportedly believe that the most pressing parking-related issue is enforcement. There is a perception that Police Department enforcement is overzealous and at odds with patrons' pleasant enjoyment of Old Town and its establishments. The BID is therefore working with the Police Department to adopt a policy in which a parking ticket will be "torn up" if a vehicle-owner returns to the vehicle in the midst of a ticket being issued.

Attracting Economic Development

In attracting new tenants, the availability of parking is not perceived as an issue for retail and restaurant businesses. However, office tenants frequently express a desire to secure blocks of nearby, cheap parking for employees, which conflicts with the BID's desire to maintain centrally-located spaces for retail patrons.

Key Lessons

Reinvest in the District. The revival of Old Pasadena is the quintessential example of parking management and downtown revitalization. In particular, the reinvestment of parking meter revenues in the district simultaneously facilitated parking availability and areawide public realm improvements.

Collaborate with Business. Close collaboration with the business improvement district has led to innovative and balanced approaches including the parking credits program, universal valet, and revenue reinvestment. Based on business input regarding parking enforcement, a more hospitality-based approach to parking enforcement could further improve outcomes for businesses and customers.

Facilitate Adaptive Reuse. The Parking Credit Program has been important in allowing adaptive reuse of historic buildings that were built without parking, where minimum parking requirements would be triggered by a change in use. Since few of the buildings in this historic part of the city have off-street parking, this removed a major barrier to development or adaptive reuse. The reduction in minimum parking requirements in the district also supported this effort to encourage adaptive reuse.

Blend Urban Design with Parking. The City's newer garages have been wrapped in ground floor retail and restaurants, in order to minimize their impact on the pedestrian environment. The introduction of maximum parking requirements also contributes to a more pedestrian-oriented retail environment within the area. In addition, parking meter revenue has funded beautification of downtown alleys, which are often used for loading in the early morning and outdoor café

seating during the day. The alleys provide pedestrian access and light wells for many garages. The public garages in Old Pasadena are located one-half to one block from Colorado Boulevard (the main pedestrian corridor), and parking lots or structures that face Colorado Boulevard are prohibited.

MONTEREY

Monterey is a small, coastal California town with a population of just under 30,000. It sits on a peninsula on the southern tip of Monterey Bay, located approximately 40 miles south of Santa Cruz and 120 miles south of San Francisco. Old Town Monterey has a strong legacy as the historic retail center for the Monterey Peninsula. The district enjoys attractive physical attributes, including classic street lighting, mature trees, decorative street pavers, and a comfortable pedestrian realm. Historic buildings and traditional facades set the architectural tone for the district. Old Town Monterey is also home to the waterfront, government offices, and tourist attractions such as Fisherman's Wharf and the Cannery Row tourism district.

According to the Old Monterey Business Association (OMBA), a non-profit merchant association and business improvement district dedicated to enhancing commercial services and activity, there are over 375 businesses and organizations located in Old Monterey, which makes this district smaller than comparison shopping districts in Pasadena and Santa Barbara.

Although some national chains have establishments in Old Monterey, they are a small minority of the overall mix of businesses. The existing national chain businesses are in community-serving soft goods and fast-format food categories, including Trader Joes, Walgreens, Denny's, Pinkberry, Jamba Juice, Starbucks, and Taco Bell. Generally, national chain businesses are located outside the downtown area in auto-oriented districts including North Fremont Street and the Del Monte Shopping Center, a suburban-style mall located south of downtown along the Cabrillo Highway.

The mix of uses in Old Town Monterey consists mostly of professional services and independent retailers. Approximately 40 percent of businesses are personal and professional services such as salons, accountants, legal and real-estate offices. Retail uses represent another 20 percent, and a growing dining scene of restaurants, cafes, and bars account for another 20 percent. Other Old Monterey tenants include cultural institutions, hotels, non-profit organizations, and medical and educational uses. Almost all of the retail, restaurant, and entertainment uses occupy ground floor spaces, while professional services and offices occupy some ground floor spaces and almost all of the spaces above the ground floor.

Downtown Monterey is supported by a street grid of one-way and two-way streets. Alvarado Street, Del Monte Avenue, Franklin Street, Fremont Street, Munras Avenue, and Abrego Streets are the principal streets within Downtown, serving local and regional traffic.

Current Parking Program

According to the *City of Monterey Waterfront and Downtown Parking Study* published in 2012, there are a total of 7,451 parking stalls in Downtown Monterey, with 1,713 on-street and 5,738 off-street spaces. According to data provided by the City, there was approximately 3.5 million gross square feet of land uses within the study area, which translates into 2.14 parking stalls per 1,000 gross square feet of built uses.

Occupancy counts during peak periods revealed that only 55 percent of the area's parking supply was occupied, well below the industry peak rate of 85 to 90 percent that indicates undersupply.

Based on this analysis, there is sufficient parking capacity to make searching for parking unnecessary. The current inventory of parking has provided sufficient surplus parking with significant availability in both existing on- and off-street facilities.

According to an interview with the Old Monterey Business Association, tourists and visitors typically use unmetered, 60- or 90-minute street parking, which is relatively abundant. Although street parking is free, the time limits are rigorously enforced. The City operates 31 parking facilities, which range in size from 10 to over 1,000 parking spaces at the Cannery Row Parking Garage. Prices are tiered depending on location. Parking lots near Cannery Row maintain the highest fees, at \$1.50 per hour or daily fees of \$10-15. Prices are lower in the Downtown area, at \$0.50 per hour with a \$4 maximum daily fee.



Several facilities also have daily, monthly, quarterly, and annual rates. Monterey residents are exempt from paying for the first two hours of public parking facility use if they have a residential parking permit. Such permits cost residents \$10 per year and are established on a block-by-block basis.

Downtown Parking Study

In 2012, the City of Monterey commissioned a study to identify strategies to support growth in key areas and transportation corridors, with the goals of (a) improving access to downtown businesses, (b) augmenting mobility and reducing automobile trips, (c) reducing out-of-way travel created by one-way streets, and (d) providing a sufficient supply of parking.

The *City of Monterey Waterfront and Downtown Parking Study* enumerated eight recommendations to improve Downtown parking policies, including:

1. Install real-time availability and wayfinding signs
2. Implement valet and tandem parking
3. Install parking meters in areas that exceed 85 percent on-street occupancy, and tier off-street meter prices to encourage turnover in high-demand spaces
4. Create a residential parking benefit district
5. Allow shared parking among different land uses
6. Eliminate or reduce parking minimums, establish parking maximums, and establish an in-lieu fee program
7. Unbundle the cost of parking by requiring all new residential development to pay separately for the cost of parking, which encourages households to own fewer cars
8. Implement transportation demand management policies and programs to encourage employees to take alternative modes to travel to work

Business Perspectives on Parking

Despite a large available inventory, parking still plays a role in the City's attempts to enhance the vibrancy of the downtown community. One recognized problem is that the visitor parking facilities are difficult to find, and access can be confusing in a downtown comprised largely of one-way streets. The *Waterfront and Downtown Parking Study* and *Citywide Transportation and Parking Study* recommended strategies aimed at wayfinding, with information signs showing real-time parking availability, improved signage for visitors, and changes to the confusing street network.

Until recently, the free street parking spaces on all major downtown streets were subject to a rigorously enforced, 60-minute time limit. In an effort to give patrons ample time, the City recently extended the time limit on two of the most heavily trafficked streets, Alvarado and Tyler, from 60 minutes to 90 minutes. Some OMBA members initially expressed some concern that downtown workers may begin to use these spots, displacing would-be patrons, but no problems have been reported since the extension of time limits.

The City is also exploring ways to encourage both visitors and office workers to use the garage facilities rather than street parking. The garage facilities have considerable excess capacity, even after accommodating tourists at Cannery Row, downtown visitors, and local employees. The City is hesitant to meter street parking, so attempts to drive traffic to the garages will focus on making these facilities more convenient and accessible.

In addition to implementing parking meters for curbside parking in the downtown core, the City's Downtown Parking Plan recommends the adoption of residential parking benefit districts, which allow a limited number of commuters to pay for permits that permit them to use surplus on-street parking spaces in residential areas. Revenues can be used to pay for neighborhood improvements.

Parking, Business Attraction, and Economic Development

Aside from traditional marketing channels, the Old Monterey Business Association and the City do not have a formal program to attract new tenants (local, regional, or national) to Old Monterey. OMBA encourages downtown landlords to fill any vacancies they can, but there is no preference for particular uses other than a general desire to see a wider variety of retail businesses.

The two commonly-cited factors that prospective new retailers face are limited choice in existing building stock and the availability of water service. Monterey is mostly built-out with storefront commercial buildings with modest footprints, so any business looking for a large leasable space will have difficulty finding space without assemblage. In addition, severe chronic water shortages on the Monterey Peninsula have led to imposition of severe restrictions on the establishment of new water service hookups. Accordingly, it can be very challenging for water-intensive uses such as restaurants or cafes to get permits to rehabilitate and occupy an existing space.

New tenants looking to locate downtown do not generally identify the availability of parking as a factor in their site selection.

Key Lessons

Connect parking facilities to key activity sites. In partnership with the Monterey Bay Aquarium and Monterey-Salinas Transit, the City provides a free trolley service that operates

between major public parking garages and popular sites throughout Downtown Monterey and Cannery Row. As with the similar service currently offered in Santa Cruz, the trolley operates daily from Memorial Day Weekend to Labor Day.

PACIFIC GROVE

Downtown Pacific Grove is composed of approximately 15 blocks of commercial uses along Lighthouse and Forest Avenues, a half-mile west of the Monterey Bay Aquarium. The downtown contains approximately 250 businesses housed mostly in relatively small, two- to three-story buildings, many dating from the Victorian era.

Pacific Grove's downtown is dominated by small independent retailers. Only one national chain is represented downtown: Pier One Imports. Approximately ten percent of downtown businesses are independent restaurants ranging from café to upscale dining. There are no stand-alone bar or pub establishments. Upper floors contain some office uses, but these upper-story office spaces are not in high demand, and several extended vacancies are noted. There are no large anchor retailers in the downtown area: local grocery and hardware stores, and the Museum of Natural History likely attract the most traffic.



Downtown Parking Supply

For its size, Pacific Grove's downtown retail district contains a healthy supply of free parking. Five public surface parking lots contain 474 free parking spaces with time restrictions ranging from 90 minutes to 24 hours, with the majority having three-hour time limits. In addition, Lighthouse Avenue's unique configuration with angled parking along both sidewalks and along the central median provides another 290 free parking spaces with a two-hour time limit. These spaces are located directly in front of commercial establishments, a very attractive amenity for businesses. In total, there are approximately 900 parking spaces scattered around Downtown Pacific Grove.

Downtown's public parking facilities were funded by a parking district established in 1962. In 1975, the district rescinded all fees, and all public parking remains free today.

Downtown Parking Management Plan

In 2015, the City published the *Parking Strategy for Downtown Pacific Grove* aimed at addressing parking management in the city's commercial core. The plan identified three types of users: first-time tourists who stay on the main thoroughfares, repeat visitors who are willing to walk to their final destinations, and employees/business owners familiar with Downtown's parking infrastructure. The report offered the following observations about these three groups:

- Tourists and out-of-town visitors expect parking to be free and are unwilling to search hard for available spaces

- People prefer to park as close to their destination as possible and covet surface spaces
- Even when parking is plentiful, drivers tend to believe there is a shortage of parking
- Employees and businesses owners tend to occupy prime on-street parking spaces
- Parking fines contribute to a negative experience for tourists and visitors

The parking management plan identified a series of improvements aimed at improving parking:

- Use parking on the main thoroughfares to provide convenient parking for new visitors
- Encourage employees and employers to park in longer-term parking lots via permits and leave on-street supply for patrons. Price permits at \$250 per year, and increase prices when demand outstrips supply.
- Install a signage and wayfinding system to direct drivers to less-utilized public lots
- Enhance parking citation's ability to discriminate among violators and penalize repeat offenders.

Business Perspectives on Parking

Downtown's most recent discussions on parking policy have concerned the duration of the free parking on Lighthouse Avenue. Until recently, these prime spaces had three-hour time limits. The City and some merchants were concerned that downtown workers were occupying many of these spaces that would optimally be reserved by commercial patrons. The *Parking Strategy for Downtown Pacific Grove* was prepared to inform this policy discussion, and showed that the average turnover of parking spots during weekdays is one hour and fifteen minutes, translating to eight or nine patrons using each spot each day. Mid-weekday vacancy of public parking spaces ranged from 15-20 percent, a healthy rate that shows considerable usage but also readily available capacity. In an effort to motivate local workers to park off Lighthouse Avenue, the City lowered the time limit from three to two hours, while maintaining three- and 24-hour time limits for peripheral lots. Only a few local business owners publicly opposed this, and the City's perception is that most workers now park away from Lighthouse Avenue in facilities with fewer restrictions.

Although the *Parking Strategy for Downtown Pacific Grove* revealed that Downtown Pacific Grove does not face parking shortages, the City and downtown merchants would like to have more parking, but see little opportunity to construct new facilities. The City is currently exploring public private joint ventures to develop mixed-use commercial and residential projects on existing parking lots. Each such development will require that the development replace the current parking on-site in structured facilities, and potentially provide additional public parking.

Downtown is currently experiencing an incremental increase in commercial activity, partially attributable to turnover of properties to more intensive uses. Provided examples include the conversion of storefronts from thrift stores or vintage shops into restaurants, and the new construction of a 150-room hotel on a formerly underused parcel. The commercial uptick is also supported by an increase in tourism activity, perhaps connected to a marketing campaign associated with the nearby Monterey Bay Aquarium and an improved economy. Accordingly, the City and downtown business community anticipate that within the next five to ten years, the excess parking capacity will be absorbed by these higher levels of patronage.

Parking, Business Attraction, and Economic Development

Pacific Grove is very protective of downtown's local, non-chain atmosphere, and has passed ordinances prohibiting fast food chain restaurants and drive-thru establishments. A recent

attempt to open a Starbucks downtown was complicated by these ordinances, and the franchise eventually located out of the downtown area. The preference for non-chain businesses is mostly focused on restaurants, and does not necessarily extend to retail. The town actively pursues national retail outlets perceived to fit with the City's character, such as the outdoor clothing and gear, and houseware establishments.

Pacific Grove's efforts to attract national retailers typically include direct appeals via correspondence from the town's Mayor to the CEOs of desirable retailers. Recent examples include Patagonia and Santa Cruz-based Verve Coffee Roasters. The City does not provide any economic incentives, but offers to accelerate entitlement and permit applications for desired uses.

When national retailers consider Pacific Grove for a potential location, the existing building stock is the most critical factor. The downtown area is largely built-out, and footprints for ground floor retail spaces are very small. Any national retailer looking for a 5,000 to 10,000 square foot space will have few if any options without significant challenges in assemblage. National retailers have not expressed any concerns about the availability of parking.

Key Lessons

Discourage serial violators through graduated fines. In many cities a small handful of drivers is responsible for a large share of parking fines. For those not deterred by more modest fines, graduated fines (i.e. increased fines on a sliding scale) raise fines for those that frequently commit parking infractions, while not unfairly penalizing drivers with occasional (and often inadvertent) violations.

SANTA BARBARA

Santa Barbara's Historic State Street Plaza is a pedestrian-friendly shopping destination home to a diversity of shopping choices. The district is comprised of specialty shops, regional art galleries, independent boutiques, and national brands. The shopping area is mostly contained within the blocks bounded by Anacapa Chapala, Micheltorena, and Cota Streets. The pedestrian-oriented experience is defined by a distinct Spanish-style architecture that consists of red tile roofs, white stucco walls, decorative tiles and wrought iron details.

Downtown Santa Barbara is managed by two business improvement districts (BIDs) overseen by the Downtown Organization of Santa Barbara (DSB), a private non-profit whose purpose is to promote and protect the vitality of Downtown Santa Barbara.

Traditionally, downtown businesses were locally-owned and operated; in fact, Downtown Santa Barbara was formed in 1965 largely to help Downtown compete with suburban shopping options dominated by national chain stores. Yet today State



Street has a sizable share of national credit tenants and medium- to large-format retailers including Apple, Old Navy, Cost Plus, Forever 21, Marshalls, and Saks Fifth Avenue. The Paseo

Nuevo mall, one of the major anchors of the district, also has a number of large national chains including Macy’s and Nordstrom. Local businesses predominate, although national chains tend to occupy the largest buildings.

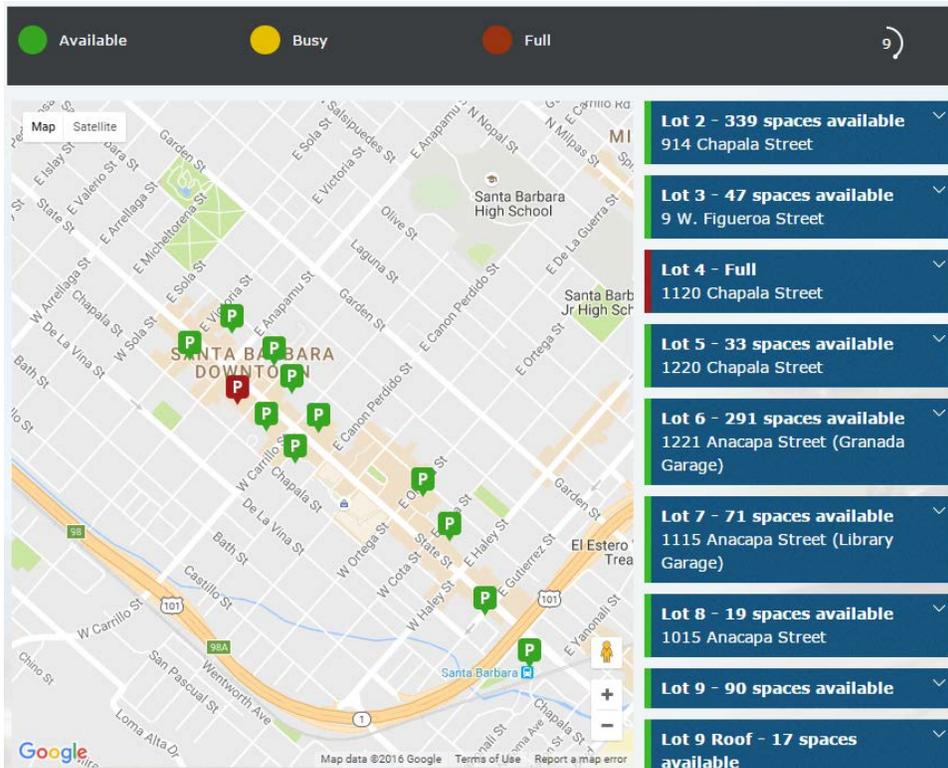
In addition to Paseo Nuevo, other downtown anchors include the Granada (live) and Arlington (movie) Theaters, and the Santa Barbara Museum of Art. Adjacent government uses include the Santa Barbara County Courthouse and City Hall.

The large inventory of restaurant businesses is mostly locally-owned and operated. A fair number of office uses, including real estate brokers, attorneys, and accountants, are located on upper floors.

Downtown Parking Supply

When shoppers visit downtown Santa Barbara, they park in public parking lots with attractive rates. The City operates seven surface parking lots and five parking garages in the blocks on either side of State Street, providing over 3,200 public parking spaces, according to DSB. Parking in all facilities is free for the first 75 minutes, and \$1.50/hour thereafter. Street parking is limited to 75 minutes. In addition, a few private uses including Paseo Nuevo have their own on-site parking. The City communicates lot and garage availability through real-time information on the City’s website (Figure 24). While there is no official allocation designation for parking lot and garage revenues, a portion of these funds cover the cost of the City’s downtown and waterfront shuttle program.

Figure 24 Real-Time Parking Availability Tracker



Source: City of Santa Barbara

The City also operates a residential parking permit program with nine different zones throughout the city. Permits cost \$20 per year and allow city residents to park up to 72 hours in many of the City's 75 and 90-minute zones. While the City does not currently operate parking meters along any of its streets, many city streets have 75 or 90 minute parking limits that are rigorously enforced. A dynamically priced on-street parking pilot project is currently being considered for the City's Funk Zone neighborhood.

Business Perspectives on Parking

As with many downtown commercial districts, the availability of cheap, easily visible, convenient parking has always been a key concern for downtown businesses.

Until the early 2000s, downtown merchants perceived a problem with downtown employees parking in spaces that could otherwise be used by patrons. In 2003, the City decreased the initial term of free parking in public spaces from 90 minutes to the current 75 minutes, in part to mitigate what was called the "90-minute shuffle" in which employees relocated cars several times a day to take advantage of consecutive free parking periods. Many merchants were opposed to any decrease in the availability of free parking, and voiced concerns that the change would drive shoppers to other commercial districts with easier parking, such as La Cumbra Plaza, a lifestyle center in Santa Barbara's mid-City district. However, Downtown Santa Barbara perceived no noticeable drop in downtown patronage, and the 75-minute free parking period is widely accepted. In fact, DSB's believes the 75-minute policy encourages downtown patrons to drive from place to place during visits to downtown, which enhances mobility for shoppers traveling between establishments but may contribute to more local traffic.

In 2006, the City significantly increased the supply of downtown public parking with the new construction of the \$25 million Granada Theater garage. The 575-space facility, with two underground floors and three floors above grade, replaced a former 210-space surface parking lot. For several years after, utilization of the new garage was less than 50% capacity, and the garage remains somewhat underutilized. The BID and the City are not presently pursuing the construction of additional public parking facilities, and the city's remaining surface parking lots are perceived as small and therefore not ideal opportunities for further development of multi-story parking facilities.

In 2015, the City of Santa Barbara Transportation Division of the Public Works Department launched real-time parking web application that provides current information on parking availability for all downtown public garages. Updated every 15 seconds, the public can view how many spaces are currently available in the parking lot nearest to their destination. The purpose is to use real-time information to assist shoppers readily find parking spaces closest to their preferred destination.

The City does not have any programs to allow workers to park downtown. In fact, the City encourages downtown workers to commute using alternative modes. For a time, the City offered a discounted MyRide transit pass to downtown workers, but the program is used mostly by County and City government workers.

The City also operates an electric shuttle service that runs through the downtown district to the waterfront area for a \$0.50 fare every 10 minutes. The service is intended to facilitate circulation throughout the district, support a "park once" strategy, and to provide a non-car alternative for guests in the many hotels near State Street and on the nearby waterfront. Because the route is subject to traffic congestion, it is not entirely reliable. The service also has limited hours of

operation (until 6:00 PM in the winter, and 9:00 PM in the summer). The resulting low ridership discourages the City from extending the hours.

Parking, Business Attraction, and Economic Development

Downtown Santa Barbara is sensitive to concerns by some local residents that State Street has become too chain-oriented, and their efforts to attract businesses are focused on specialty retail, boutique “chainettes,” and pop-ups.

According to Hayes Commercial Group, a real estate brokerage firm active in the area, although the region has experienced a strong level of retail activity and leasing in recent years, the prime retail corridor in downtown Santa Barbara has been marked by relatively high vacancy and turnover, exacerbated by muted demand by national retailers. According to the brokerage firm, the reasons driving this include tepid demand among national brands post-recession, the ascendancy of other retail areas near Downtown with lower rents, and recent experimentation among larger retailers with smaller store formats. Stores are testing smaller concept stores combined with in-store, pick-up service for merchandise purchased online. As a result, demand for larger retail spaces has been declining.

Despite these challenges, national retailers looking to relocate in Downtown Santa Barbara are attracted foremost by the City’s demographic profile and impressive levels of regional and national tourism. National retailers do not generally express concern about the availability of parking for shoppers.

Key Lessons

Provide real-time availability information. Santa Barbara’s real-time parking availability tracker allows the public to view where parking is best available closest to their destination via a computer, tablet, or smart phone enables mobile application. Updated every 15 seconds, the mobile version of the application can sync with GPS on smart phones to provide turn-by-turn driving directions to available spaces.

Encourage smaller format anchor stores. Retail analysis for Santa Cruz suggested the need for anchor stores to support district-wide financial sustainability. Industry experimentation with smaller formats align with local goals of attracting anchor stores while retaining a small town feel and eclectic retail mix. This format could reduce the risk of large vacancies and visual gaps as experienced in Santa Barbara. Smaller format anchor stores are typically accompanied by lower parking ratios and more multimodal access than their suburban equivalents.

SAN LUIS OBISPO

Downtown San Luis Obispo consists of 630 businesses occupying 1.2 million square feet of space, according to the San Luis Obispo Downtown Association (SLODA). Buildings typically range from one to three stories, and the uses include retail, restaurant, and entertainment services, with occasional residential and office on upper floors. The city’s ordinance requires for ground-floor space in downtown to be activated for public use, which are occupied by retailers and restaurants.

Local merchants comprise the majority of downtown’s businesses. National chain tenants have a presence as well, and are largely clustered on Higuera Street between Chorros and Osos Streets, including Pottery Barn, H&M, Banana Republic, Lululemon, Apple, Sephora, Abercrombie & Fitch, Ross, and the Gap. Many of the national tenants are based in properties acquired by

Jamestown Properties, a US/German real estate management company that has acquired assets and bolstered the presence of national retailers in recent years.

On the northern border of downtown is a cluster of government buildings and office space including City Hall, the County Seat, and Superior Court.

Downtown Parking Supply

Most parking for visitors and employees in downtown San Luis Obispo is provided on-street and in public garages. The City has approximately 1,500 metered parking spaces in its downtown, and operates three off-street structures and numerous metered lots. Meters operate Monday-Saturday, 9 a.m.-6 p.m., as well as Sunday from 1 p.m. to 6 p.m. Meters are enforced every day of the year, including all holidays.

The rate structure for on-street meters is split into three categories:

- 30-minute meters (1-2 spaces per block)
- 2-hour meters — \$1.50 per hour in downtown core; \$1.25 per hour in outlying areas
- 10-hour meters — \$0.75 per hour

At the higher-priced 2-hour spaces in the downtown core, the City recently upgraded to single-space smart meters that accept credit cards. All other on-street meters in the city are limited to payment by coins or by "cash keys", which can be preloaded with up to \$100 in stored value for use at meters. The parking rate zones are shown in Figure 25 below.

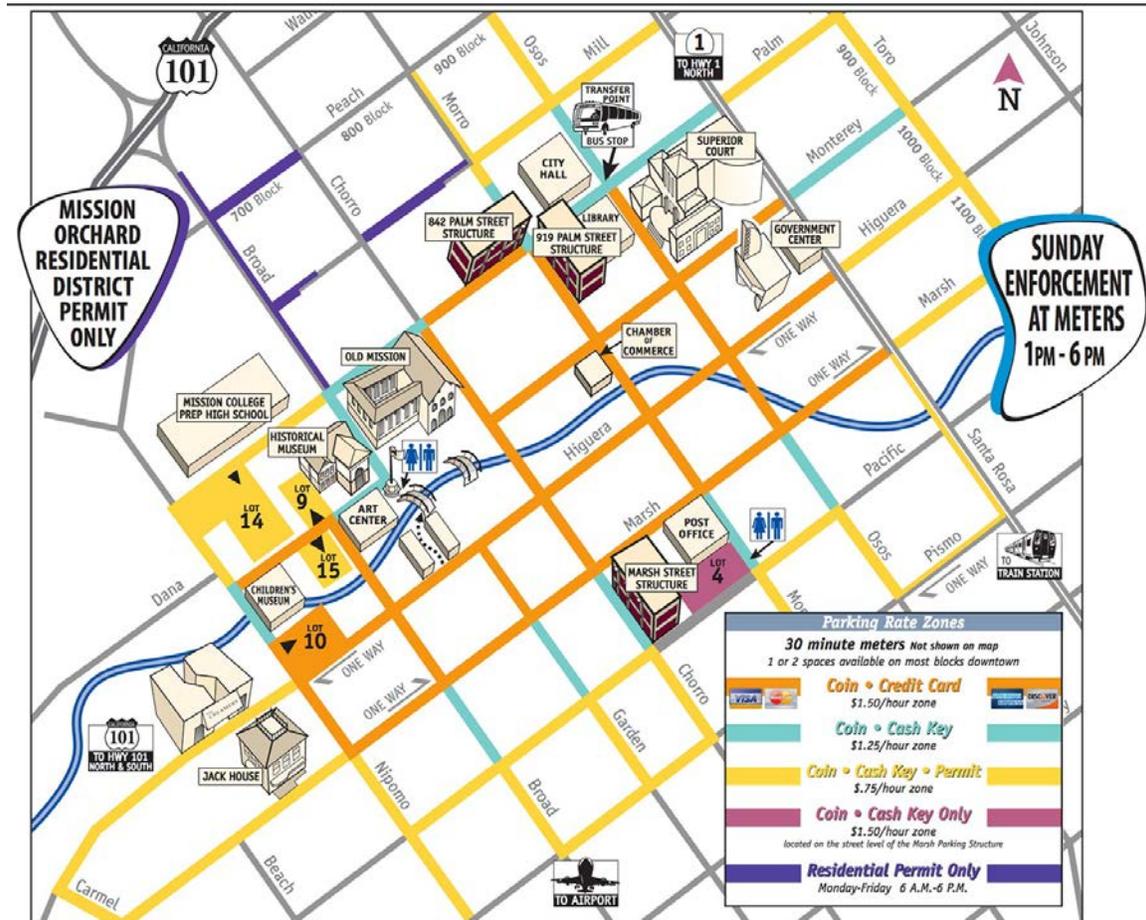
At the off-street garages, parking is free for the first hour, and each hour thereafter costs \$1.00, with a daily maximum fee of \$7.50.

Access pass permits for unlimited parking in one of the three garages

is \$225 (billed quarterly). As shown in Figure 25, there are also five off-street lots within downtown that utilize meters. In addition, monthly parking permits may be used at 10-hour on-street parking spaces. These permits cost \$40 per month or \$120 quarterly.



Figure 25 Downtown San Luis Obispo Parking Map



Source: City of San Luis Obispo

Access & Parking Management Plan

Parking meters have long been part of the City’s approach to managing parking demand, and were first introduced in downtown San Luis Obispo in 1947. The City has adopted several plans since then to comprehensively manage its parking supply. San Luis Obispo’s approach to parking management is now guided by the *Access & Parking Management Plan* the City adopted in 2001, which has been updated and amended incrementally since then.

The plan’s principles have continued to serve as the basis for parking management downtown since its adoption. It includes goals, policies, and actions for the management of general use parking, employee parking, downtown residents parking, juror parking, and for the expansion of parking. Its overall goals are to:

- Support the commercial core as a viable economic and cultural center and preserve its historic character
- Support the goals of the City’s Conceptual Physical Plan for the City’s Center
- Provide enough parking in the commercial core for visitors and employees
- Reduce the demand for employee parking through various programs such as carpooling, vanpools, transit subsidies, and bicycle and pedestrian systems development

- Support the transportation strategy presented in the General Plan Circulation Element
- Support the residential component of mixed use development downtown as presented in the Land Use Element
- Carry out actions described in the plan within budget constraints and consistent with Financial Plan goals and policies that are updated every two years

In managing the general parking supply, the plan's policies emphasize maximizing the use of all parking structures and lots, encouraging the use of curb spaces for shorter-term parking, and encouraging future off-street parking to meet the City's aesthetic goals. The plan also sets a policy of considering the installation of parking meters or posting time limits on blocks where 75% of the frontage is developed with commercial uses. In the commercial core where shorter-term parking is needed, the plan recommends placing 30-minute spaces at the end of each block, as well as in other parts of the block were requested.

The strategies for achieving these goals include publicizing the availability of spaces in underutilized off-street facilities to increase their use; offering permits for 10-hour metered parking spaces on lower-demand blocks; and periodically evaluating the number of spaces dedicated to commercial loading.

A signature aspect of the City's approach to encouraging long-term parkers to find spaces in lower-demand areas is the City's tiered pricing and time limit structure. Downtown employees are also encouraged to use travel modes other than driving alone to reach downtown. As a means of reducing the amount of parking needed for new residences downtown, residents are allowed to park in certain lower-demand spaces overnight in locations that do not significantly interfere with parking for customers and employees.

Recent Changes

Many of the recommendations in the City's parking management plan were adopted 5-10 years ago, including building additional structures and revising the downtown rate structure. Several major changes have occurred recently, however, including increasing the rate at spaces in the City's "super core" to \$1.50 per hour and transitioning to smart meters that accept credit cards at those spaces.

In June 2012, meter enforcement was extended to include Sundays, from 1-6 p.m. Meters are now enforced every day of the year, including holidays. City staff reports that the business community recognized the need to manage demand on Sundays, and was supportive of this change, particularly with the addition of meters that accept credit cards. According to parking manager Robert Horch, "Downtown employees report there's more turnover now, and shoppers can find spaces closer to their destination."

New Technology

There is interest in the City in upgrading all paid spaces to smart meters, but the capital expense of doing so has prevented this from occurring until the economy further improves. According to staff, the City prefers single space smart meters to multi-space meters due to the added complexity of enforcing multi-space meters. The City has not yet determined the revenue impacts of upgrading to smart meters because the meters that were upgraded also had a rate adjustment at the same time. Citations have decreased with the adoption of the new meters, which reduces one source of revenue, but also may encourage people to visit downtown more often.

The City is also evaluating the use of pay-by-phone technology at meters, but concerns remain that people may see meters that appear expired and believe that the driver has not paid. Looking further into the future, staff anticipates that all payment may eventually shift to smart phones or other devices, eventually removing the need for meters entirely.

Outreach

San Luis Obispo parking management staff members meet monthly with business representatives of the Downtown Association's Parking and Access Committee to discuss transportation and parking issues in the downtown. This ongoing dialogue reduces conflict over policy changes and has ensured business buy-in for major initiatives such as operating parking meters on Sundays. The committee is focused on all modes of access to downtown, including transit, biking and walking, as well as driving. Parking managers with the City see their role as that of a partner to downtown businesses, facilitating access.

Business Perspectives on Parking

Based on interviews conducted with SLODA staff, some existing retail tenants express dissatisfaction with the amount of available parking. SLODA believes this concern is based on merchants' desires for patrons to be able to park on the street directly in front of the business they are visiting. Such concerns are less about the total amount of available parking, and more about convenience and proximity of short-term spaces and facilities. The City's parking garages and lots are clustered in the north near the government center and in the west near the Mission San Luis Obispo, while the south, central, and east portions of downtown are served only by street meters. Because many garages are located at the periphery of downtown, the need to properly manage curb-side parking and parking spaces within "core" downtown lots is particularly acute.

The City is attempting to address the lack of core supply by using a trolley service with a route that circulates from the North Monterey Street hotel district to various points downtown and the nearby downtown parking structures. The trolley operates infrequently, though, and is not as effective as SLODA had envisioned. The location of the new parking garage in the southern portion of downtown is also meant to address the perception of a lack of convenient parking.

SLODA's members have no complaints about the pricing for parking, as rates are very low. To encourage usage of the parking garages, SLODA sells tokens valued at \$1 to local merchants at a discount of \$0.40, for distribution to patrons as a sort of validation program.

In addition, a small contingent of soft goods retailers consistently advocates for free parking during the holiday season from Halloween to New Year's Day, although the City has not been amenable to this idea.

Parking, Business Attraction, and Economic Development

When national retailers are looking to locate in SLO, the most salient issue is apparently demographic: national credit tenants are looking for a certain number of households at a certain income level, and San Luis Obispo's relatively small size and high proportion of college students skew these metrics unfavorably. In the competition for national uses, the City has often been overlooked for larger markets within a two-hour drive, including Santa Barbara and Fresno. Recently, the entrance of nationally-known Jamestown Properties has partially reversed this trend and facilitated an increase in presence of national tenants. According to the SLODA, parking is not generally a concern in attracting tenants.

There are a relatively large number of office workers in or adjacent to Downtown, with the preponderance in the Government Center to the north. SLODA assumes that these workers use a variety of the downtown's parking facilities, by purchasing monthly passes in the garages or in the ten-hour lots (for \$225 and \$40, respectively), or otherwise paying for parking on an hourly or daily basis. Although some nearby residential neighborhoods have voiced concerns about office workers parking in residential neighborhoods, SLODA is unaware of any merchant concerns about government workers parking in downtown facilities.

Key Lessons

San Luis Obispo provides an example of a small town that has proactively and successfully managed its parking supply with strong support from its business community. Many of its practices are on the vanguard of parking management for a city of any size, including charging for parking on Sundays and all holidays, while in other respects the City has moved cautiously, hesitating to install pay-by-phone technology or expand smart meters citywide until it can do so without imperiling its finances or risking public backlash. There are several major lessons to be learned from San Luis Obispo:

Develop a plan and stick with its goals and policies. San Luis Obispo has not adopted a new parking management plan in over a decade, instead carrying out the recommendations of its 2003 plan while amending it as necessary to accommodate changing conditions. The 2003 plan provided flexibility, strong guidance, and goals that were broadly accepted by the community. By continuing to refer to these goals and policies, the City has ensured buy-in from people who have embraced the underlying purpose of the plan.

Maintain a close relationship with downtown stakeholders. The City of San Luis Obispo's parking management staff view themselves as a partner to downtown businesses, ensuring that visitors can access the downtown and shop without hassle. By meeting every month with a business advisory group and involving them deeply in the decision-making process, the City has been able to implement parking management policies that encourage availability without incurring major backlash.

Distribute demand properly through pricing/time limits and facility locations. An important aspect of the 2003 parking management plan that the City has consistently followed is the emphasis on prioritizing parking spaces in the downtown core for short-term "convenience" trips, while encouraging longer-term parkers to use more peripheral spaces. The City has encouraged this pattern through time limits, price structures (that provide a level of parity between employees and customers), and siting garages on the periphery of downtown to intercept longer-term parkers before they reach the more congested core.

Use TDM measures to help reduce demand from employees. The City of San Luis Obispo treats its parking program as a component of an overall access plan. By encouraging employer transportation demand management measures and operating a transit system that helps to reduce demand for parking downtown, the City is able to maximize the number visitors to downtown without expanding its parking supply as quickly (and without raising parking rates as high as they otherwise would need to be to manage increased demand).

5 RETAIL CONDITIONS

INTRODUCTION AND METHODOLOGY

Downtown Santa Cruz is the City's historic retail destination and central business district. While it is well-known as a regional shopping attraction with a mix of independent stores and national brands, Downtown Santa Cruz is also home to a variety of other users, including day-time workers, tourists, students, and evening patrons visiting the entertainment district for its vibrant restaurants, bars, music venues, cinemas, and sports arena. Clusters of independent bookstores, apparel stores and specialty food stores are complimented by nationally-recognized anchor stores such as The Gap, Urban Outfitters, American Apparel, Trader Joe's, Peet's Coffee, and Coldstone Creamery.

This chapter profiles current retail and employment conditions in Downtown Santa Cruz to understand the underlying influences that shape Downtown's economy, and how these sectors may be impacted by changes in parking policies. The analysis begins with a review of citywide demographic trends and taxable retail sales. Next, the focus shifts to the downtown core, where data is presented to illustrate on Downtown's retail sector performance. Finally, this chapter closes with a review of the retail real estate conditions in the study area.

Demographics and employment estimates were taken from published state sources, including demographic figures from the US Census, employment data from the California Employment Development Department, and city-wide taxable retail sales data from the State Board of Equalization. In addition, the City of Santa Cruz supplemented with information related to Downtown, including employment figures from the City business license database and sales tax data, which was packaged by the City to preserve confidentiality for local retailers. While the City's employment data covers the entire Study Area, retail sales only reflect the Downtown District, which is smaller and wholly contained within the Study Area.

DEMOGRAPHIC TRENDS AND PROJECTIONS

This section provides a snapshot of Santa Cruz's demographic trends , along with future growth potential for households and employment.

Demographic Trends

The City of Santa Cruz has grown at a faster rate and population and slower rate by households than other parts of the county and state. Between 2000 and 2014, population growth in the City of Santa Cruz outpaced that of the county and the state of California. During this period, the city's population grew approximately 13.7%, compared to 4.5 percent in the County, and 12.4% in the State. The number of households in the city increased at a slower pace of 2.8 percent, driven in part by an increase in the average household size. Between 2000 and 2014, the city saw a large

increase in average household size, from 2.44 persons in 2010 to 2.55 persons in 2015 (see Figure 26).

Figure 26 Population and Household Trends, 2000-2014

Population	2000	2014 (a)	% Change 2000-2014
Santa Cruz City	54,593	62,045	13.7%
Santa Cruz County	255,602	267,203	4.5%
State of California	33,871,648	38,066,920	12.4%
Households	2000	2014 (a)	% Change 2000-2014
Santa Cruz City	20,442	21,015	2.8%
Santa Cruz County	91,139	94,219	3.4%
State of California	11,502,870	12,617,280	9.7%
Average Household Size	2000	2014 (a)	% Change 2000-2014
Santa Cruz City	2.44	2.55	4.5%
Santa Cruz County	2.71	2.72	0.4%
State of California	2.87	2.95	2.8%

Note:

(a) The American Community Survey (ACS) publishes demographic estimates based on statistical sampling conducted continuously between 2010 and 2014.

Sources: US Census, 2000; ACS, 2010-2014; BAE, 2016.

Projections

Population, household and employment growth within the City of Santa Cruz is likely to generate more retail demand. According to regional projections, between 2010 and 2035, the population of Santa Cruz County is expected to increase 17.6%, while the number of housing units is projected to grow by 15% percent, and employment by 19%.

The City of Santa Cruz is expected to absorb much of this projected growth, with population and housing increases occurring at a faster rate within the city compared to the County. By 2035, the city’s population is expected to increase by 27.9%. Accordingly, the number of housing units is expected to rise by 25.9%. Employment growth in the city is anticipated to be slightly less than that of the county, with an 18.3 percent increase between 2010 and 2035. As the city adds more households and jobs, it is expected that this growth will translate into higher demand for goods and services. Growth projections are shown in Figure 27.

Figure 27 Projected Population, Housing Unit and Employment Growth, 2010-2035

Population	2010	2035	% Change 2010-2035
City of Santa Cruz	59,946	76,692	27.9%
Santa Cruz County	262,382	308,582	17.6%

Housing Units	2010	2035	% Change 2010-2035
City of Santa Cruz	23,316	29,355	25.9%
Santa Cruz County	104,476	120,196	15.0%
Employment	2010	2035	% Change 2010-2035
City of Santa Cruz	37,077	43,863	18.3%
Santa Cruz County	110,200	131,117	19.0%

Source: AMBAG, 2014; BAE, 2016.

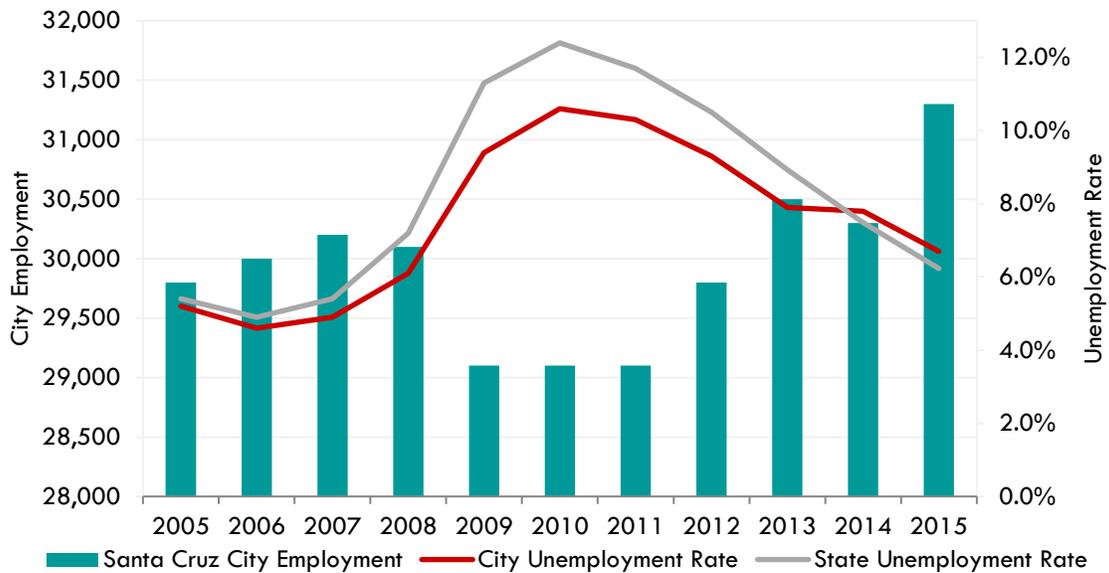
EMPLOYMENT

This section provides a snapshot of Santa Cruz’s economic trends, including retail activity and significance within the area.

Employment by Industry

Santa Cruz has generally fared better than the rest of the state in terms of unemployment. Employment levels in the City of Santa Cruz were higher in 2015 than in any of the ten preceding years, signaling a recovery from the Great Recession; however, unemployment rates remain higher than those in pre-recession years. Interestingly, while unemployment rates have historically been below State levels, 2014 marked a shift, in which the state’s unemployment dipped below the city’s. State unemployment has seen a steady decline since the height of the Recession in 2010, whereas Santa Cruz unemployment rates leveled off between 2013 and 2014, and dropped to 6.7% in 2015, which was slightly higher than the state’s 6.2% unemployment rate. Ten year employment trends for the City of Santa Cruz and California are shown in Figure 28.

Figure 28 Labor Force and Employment, City of Santa Cruz and California, 2005-2015



Source: CA EDD; BAE, 2016.

Employment in Santa Cruz reflects its role as a lifestyle, leisure, and retail center. Presented in Figure 29 are the major employment sectors for the City of Santa Cruz. In 2014, the three largest private sectors were Accommodation and Food Services, Retail Trade, and Health Care. Santa Cruz's Accommodation and Food Services industry constituted 18% of the City's total employment in 2014. This figure is nearly double the proportion of employment in the state in this industry, supporting Santa Cruz's reputation as a leisure and tourism destination. Previous tourism studies conducted for the City of Santa Cruz have identified shopping as a major activity among visitors to the Downtown area. It is perhaps unsurprising, then, that Retail Trade employed 14.2% of workers, the next largest share of employment following accommodation and food services.

In addition to lifestyle, leisure and retail, the city has a significant and growing number of professional and tech-related jobs. The Health Care and Social Assistance industry comprises a sizable proportion of the city's employment, though the number of jobs in this sector fell slightly, from 3,053 workers in 2010 to 3,033 in 2014. A prominent industry in the Downtown Study Area, the Professional, Scientific, and Technical Services sector contained approximately 6.5% of jobs in the City in 2014, about one percentage point less than the share of jobs across the State. This industry also experienced rapid employment growth within the city between 2010 and 2014, with the number of jobs expanding by 19.8%.

In addition to comprising a large proportion of Santa Cruz's jobs, the Accommodation and Food Service industry has also seen tremendous growth in recent years. Within the city, sector employment grew 40.7% between 2010 and 2014, adding 1,274 workers during this period, according to annual employment averages. This growth represents the largest increase in any single private industry in the City of Santa Cruz. Other industries that experienced remarkable job growth include manufacturing (28.2%) and Other Services (27%).⁴ In these fast-growing industries, growth in Santa Cruz has occurred at a rate much greater than that of the state. Likewise, while Santa Cruz's manufacturing industry saw 28.2% job growth between 2010 and 2014, manufacturing jobs across the state increased just 2.4% during the same time period.

At the same time, employment in several industries in the City of Santa Cruz declined between 2010 and 2014 despite having increased at the state level. Employment opportunities in the Finance and Insurance industry declined the most, shrinking 15%. Jobs in this sector at the state level increased 0.9%. As noted previously, the Health Care and Social Assistance sector also experienced a decline in the city, losing 0.7% of employees, while job growth in this industry at the state level increased 36.2%, representing the state's fastest-growing industry.⁵ Construction employment in Santa Cruz also fell 3.1% during this time period, compared to 20.4% growth in the state.

⁴ In this case, the large growth in government jobs at the City level has been ignored due to data suppression within this industry and resulting in a misleading apparent growth figure. The California Employment Development Department, which reports QCEW employment, indicated that the 2010 figure for government workers in Santa Cruz was inaccurate due to a misclassification of the physical location of a major government office. This location was subsequently updated in 2014, resulting in a misleading apparent growth figure.

⁵ It is important to note, however, that the dramatic growth within the Health Care and Social Assistance industry at the State level may have been caused by a reclassification of In-Home Support Services employees, from NAICS code 814 to 62412, rather than an increase in the absolute number of employees in this industry.

DOWNTOWN SANTA CRUZ ECONOMICS OF PARKING | EXISTING CONDITIONS AND TOOLBOX
City of Santa Cruz

Figure 29 Annual Average Employment by Industry, 2010-2014

Industry	CITY OF SANTA CRUZ					STATE OF CALIFORNIA				
	2010		2014			2010		2014		
	#	%	#	%	% Change	#	%	#	%	% Change
Agriculture, Forestry, Fishing & Hunting	115	0.6%	133	0.5%	15.7%	382,857	2.7%	415,444	2.6%	8.5%
Mining, Quarrying & Oil and Gas Extraction	*****				n/a	24,445	0.2%	28,629	0.2%	17.1%
Construction	616	3.1%	597	2.4%	-3.1%	556,110	3.9%	669,766	4.3%	20.4%
Manufacturing	1,425	7.2%	1,827	7.5%	28.2%	1,234,647	8.6%	1,264,114	8.0%	2.4%
Wholesale Trade	1,053	5.3%	615	2.5%	-41.6%	642,187	4.5%	709,154	4.5%	10.4%
Retail Trade	3,001	15.2%	3,469	14.2%	15.6%	1,506,924	10.5%	1,623,371	10.3%	7.7%
Transportation & Warehousing	256	1.3%	274	1.1%	7.0%	393,470	2.7%	446,430	2.8%	13.5%
Information	271	1.4%	280	1.1%	3.3%	423,397	2.9%	456,992	2.9%	7.9%
Finance & Insurance	545	2.8%	463	1.9%	-15.0%	510,909	3.6%	515,504	3.3%	0.9%
Real Estate and Rental & Leasing	295	1.5%	302	1.2%	2.4%	247,593	1.7%	264,129	1.7%	6.7%
Professional, Scientific, & Technical Services	1,330	6.7%	1,593	6.5%	19.8%	1,016,956	7.1%	1,171,165	7.5%	15.2%
Management of Companies & Enterprises	109	0.6%	106	0.4%	-2.8%	192,186	1.3%	225,792	1.4%	17.5%
Admin & Support & Waste Mgmt & Remediation Srvc.	719	3.6%	733	3.0%	1.9%	851,858	5.9%	976,801	6.2%	14.7%
Educational Services	701	3.6%	548	2.2%	-21.8%	271,920	1.9%	317,066	2.0%	16.6%
Health Care and Social Assistance	3,053	15.5%	3,033	12.4%	-0.7%	1,468,569	10.2%	2,000,372	12.7%	36.2%

DOWNTOWN SANTA CRUZ ECONOMICS OF PARKING | EXISTING CONDITIONS AND TOOLBOX
City of Santa Cruz

Industry	CITY OF SANTA CRUZ					STATE OF CALIFORNIA				
	2010		2014			2010		2014		
	#	%	#	%	% Change	#	%	#	%	% Change
Arts, Entertainment, and Recreation	1,077	5.5%	1,195	4.9%	11.0%	243,727	1.7%	276,312	1.8%	13.4%
Accommodation and Food Services	3,128	15.8%	4,402	18.0%	40.7%	1,250,482	8.7%	1,471,800	9.4%	17.7%
Other Services (excl. Public Administration)	975	4.9%	1,238	5.1%	27.0%	718,490	5.0%	504,176	3.2%	-29.8%
Federal Government	*****		209	0.9%	n/a	268,544	1.9%	242,804	1.5%	-9.6%
State Government	*****		*****		n/a	442,715	3.1%	441,512	2.8%	-0.3%
Local Government (a)	1,004 (c)	5.1%	3,483	14.2%	246.9% (c)	1,658,588	11.6%	1,623,056	10.3%	-2.1%
Not Elsewhere Classified	65	0.3%	*****		n/a	50,991	0.4%	60,740	0.4%	19.1%
Total (b)	24,623	100.0%	28,979	100.0%	17.7%	14,357,565	100.0%	15,705,129	100.0%	9.4%

Notes:

(a) The California Employment Development Department, which reports QCEW employment, indicated that the 2010 figure for local government workers in Santa Cruz was inaccurate due to a misclassification of the physical location of a major government office. The location was subsequently updated in 2014, resulting in a misleading apparent growth figure. With this inclusion, the 2014 figure is a more representative number of total local government employment. Local government includes city, county, school district, regional, and/or other municipal employees.

(b) Totals may not sum from parts due to independent rounding and data suppression at the City level, indicated with an asterisk. Data are confidential if there are fewer than three businesses in any one category or if one employer makes up 80 percent or more of the employment in a category. Data are suppressed because confidential data could be extrapolated if these totals were included. Universe consists of all wage and salary employment by place of work, excluding utilities (NAICS code 22.) Does not include self-employed persons not on payroll. Industry classification is not self-reported by individual workers. Counts may vary from other tables.

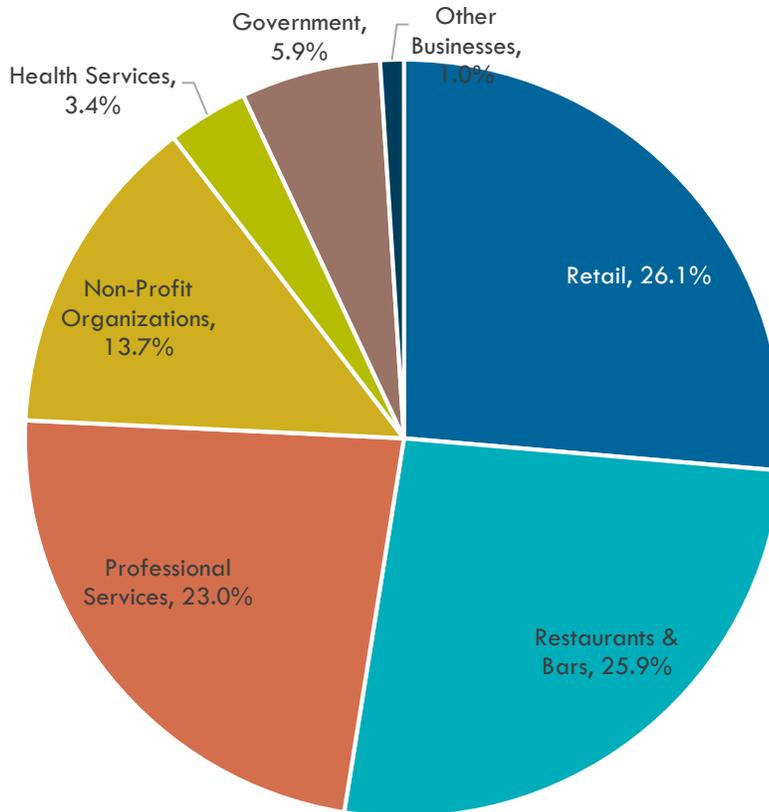
(c) Local government employment data from 2010 is not reliable.

Sources: Quarterly Census of Employment and Wages (QCEW), CA EDD, 2010, 2014; BAE, 2016.

Businesses and Employment in Downtown Santa Cruz

Downtown Santa Cruz is home to over 580 businesses, which collectively employ over 4,500 people, including government workers. Figure 30 through Figure 32 reveal the diversity of goods and services for sale in the Downtown Santa Cruz Study Area and the volume of employment within general business categories.

Figure 30 Employees in Downtown Study Area by Industry



Source: City of Santa Cruz, 2016; BAE, 2016.

Figure 31 Summary of Downtown Employment and Businesses

Category	Employees	% of Total	Businesses	% of Total
Retail (a)	1,182	26.1%	189	32.5%
Restaurants & Bars	1,173	25.9%	79	13.6%
Professional Services (b)	1,042	23.0%	188	32.3%
Non-Profit Organizations	620	13.7%	32	5.5%
Health Services	154	3.4%	69	11.9%
Government (c)	269	5.9%	N/A	N/A
Other Businesses	45	1.0%	14	2.4%
Schools	37	0.8%	11	1.9%
Total	4,522	100.0%	582	100.0%

Notes:

(a) Retail includes Clothing, Accessories, and Related Retail; Specialty Food Retail; Beauty Services and Supply; Books, Music, and Entertainment; Bars and Nightclubs; Auto-Related Retail; Groceries, Drugs, and Liquor Stores; and Artistic Supply.

(b) Professional Services includes Professional, Personal, Technology, and Banking services.

(c) Government includes 257 employees in the City Hall campus (a portion of which falls outside of the Study Area) and 12 regular Civic staff employees.

Source: City of Santa Cruz, 2016; BAE, 2016.

Retail

The retail sector employs the most Downtown workers, accounting for nearly one out of every three employees. In 2015, there were 1,182 Downtown retail workers. The number of retail establishments was equally high, with nearly 200 different retailers. A detailed inventory shows that Downtown offers a unique mix of shopping opportunities, including apparel, specialty foods, drug stores, books and entertainment, and beauty supply stores.

Downtown Santa Cruz's clothing, accessories and related retail collection includes 45 businesses anchored by national chain stores such as Urban Outfitters, The Gap, American Apparel and Forever 21. Clothing stores specializing in surf, retro and tie-dye garments are indicative of Santa Cruz's unique coastal, university character. A total of 312 employees work at Clothing, Accessories and Related Retail shops.

A relatively small but defined Downtown book, music and entertainment cluster includes general book and periodical merchants, as well as niche retailers such as vinyl record and comic book stores selling both new and used merchandise. Combined with movie theater entertainment venues, book, music and entertainment retailers in Downtown Santa Cruz employ 169 people.

Restaurants and Bars

Restaurants and bars employ the second highest number of Downtown workers, accounting for almost as many workers as the retail sector. According to the City's 2015 business license database, there were approximately 70 restaurants and cafes and nine bars and nightclubs in the Downtown district employing 1,173 people.⁶ This sector also generates a significant portion of the sales tax revenue in the city.

Professional and Personal Services

Interestingly, the Professional and Personal Services sector is the third largest category in the district in terms of employees. This sector includes services such as accounting, consulting, legal assistance, real estate brokers, and insurance agents. Service-oriented businesses providing professional and personal services employ nearly one out of every four workers in Downtown Santa Cruz.

When combined with non-profits and other service providers, the number of employees in professional services outnumbers those working in restaurants and bars. The large presence of office workers is unique to Santa Cruz because its downtown is not only a retail destination, but also the city's central business district.

The data also points to a distinct presence of technology workers. In 2015, there were 33 technology businesses employing 359 workers, which translates into an average of 11 employees

⁶ See Appendix for employee counts for each business category.

per establishment. Surprisingly, the number of technology workers exceeded those working in Downtown apparel stores (see Figure 32). Although comparative data is not available to indicate whether the number of technology jobs in Downtown has changed over time, industry data at the city level shows this sector has been growing, with jobs in professional, scientific, and technical increasing by 19.8% at the city level between 2010 and 2014, faster than the statewide growth rate of 15.2%. Downtown Santa Cruz, with its convenient access to walkable amenities and retail shops, has proven to be an attractive place for technology firms to locate.

Other Businesses in Downtown

Non-Profit Organizations and Service Providers is the fourth largest general business category in terms of employees, accounting for 620 downtown workers. This was followed by businesses providing medical and health services, which include physicians’ offices as well as dentistry, acupuncture, physical therapy, and counseling services. A reported 154 people are employed in the Medical and Health Services business category. Additionally, there are an estimated 269 government workers in Downtown Santa Cruz, including 257 individuals employed at the City Hall campus (a portion of which falls outside of the Study Area) and 12 regular Civic staff employees. City of Santa Cruz staff noted that the number of Civic employees increases to 50 about 20 times per year and 16 about 80 times per year, when events are hosted.

Figure 32 Census of Businesses in Downtown District

Category (a)	Employees	Businesses
Retail		
Clothing, Accessories and Related Retail	312	45
Groceries, Drug, and Liquor Stores	232	5
Other Retail	196	52
Specialty Food Retail	194	37
Books, Music and Entertainment	169	14
Beauty Services and Supply	45	27
Auto-Related Retail	26	6
Artistic Supply	8	3
Subtotal	1,182	189
Restaurants and Bars		
Restaurants & Cafes	1,059	70
Bars and Nightclubs	114	9
Subtotal	1,173	79
Professional Services		
Professional & Personal Services	482	146
Technology Services & Supplies	359	33
Banks/Credit Services	201	9
Subtotal	1,042	188

Category (a)	Employees	Businesses
Other		
Non-Profit Organizations/Service Providers	620	32
Medical & Health Services	154	69
Government	269	N/A
Other Businesses	45	14
Schools/Training	37	11
Total	4,328	582

Note:

(a) Most categories contain multiple SIC code classifications.

Source: City of Santa Cruz, 2016; BAE, 2016.

TOURISM SECTOR

The City and County of Santa Cruz are regional tourism destinations, attracting approximately three million visit trips to the County annually.⁷ In 2016, Visit California and the Governor’s Office of Business Development commissioned Dean Runyan Associates to conduct a study on California Travel Impacts by County. Data compiled in the study shows growth in visitor spending in Santa Cruz County and the employment growth associated with this spending. Because the study does not publish city-level data, trends at the county level are used a proxy to understand local spending.

According to the 2016 study, between 2012 and 2015, visitor expenditures increased about 11.1%. Accommodations saw the greatest increase in spending, from \$161.4 million in 2012 to \$214.6 million in 2015, 33.0 percent growth. Food stores and food service categories also grew substantially during this period, with 13.2% and 11.4% growth, respectively. Retail spending saw the least growth, while local transportation and gas sales declined substantially (see Figure 33).

Figure 33 Santa Cruz County Visitor Spending by Commodity Purchase (\$Millions) 2012-2015

Category	2012	2013	2014	2015	% Change 2012-2015
Accommodations	161.4	176.3	195.7	214.6	33.0%
Food Stores	36.3	37.3	39.5	41.1	13.2%
Food Service	194.8	197.5	206.9	217.0	11.4%
Arts, Entertainment, Recreation	100.8	102.2	105.1	107.7	6.8%
Retail Sales (a)	120.5	121.8	123.7	125.7	4.3%
Local Transportation	101.0	99.5	95.2	87.7	-13.2%
Total	714.8	734.6	766.1	793.8	11.1%

Note:

⁷ Santa Cruz SSCC Partners, “Tourism Facts.” Webpage. Accessed 7/1/16. <http://www.santacruz.org/partners/tourism-facts.php>.

(a) Retail sales include gasoline.

Source: California Travel Impacts, Dean Runyan Associates, 2015; BAE, 2016.

A 2010 survey of visitors to Santa Cruz County reported that 76% of visitors surveyed were residents of California, 16% were from other U.S. states and eight percent were from a different country. Of those visitors from within the state, a majority (89%) resided in Northern California.⁸ More than half (52.8%) of visitors surveyed had selected the City of Santa Cruz as their main destination, primarily to visit the beach (73%) and/or attractions such as the Boardwalk and Wharf (70.2%). A smaller proportion of travelers (39.9%) visited to go shopping.⁹

Most visitors to Santa Cruz County who participated in the 2010 survey expressed satisfaction with Santa Cruz as a destination; however, researchers observed low satisfaction ratings for parking and traffic levels, although the study did not isolate where parking was most problematic or whether this concern was different from other tourist areas.¹⁰

The 2016 California Travel Impacts study also sought to quantify the employment opportunities generated by travel spending. Estimated direct employment generated by tourism in the County of Santa Cruz is shown in Figure 34. Employment generated by travel spending grew 15.1% between 2012 and 2015, with the greatest increases in the arts, recreation, and entertainment (18.1%) and accommodations and food service (16.6%) categories. Retail employment increased 1.4%.

Figure 34 Santa Cruz County Industry Employment Generated by Travel Spending (Jobs) 2012-2015

Category	2012	2013	2014	2015	% Change 2012-2015
Arts, Recreation & Entertainment	2,600	2,610	2,770	3,070	18.1%
Accommodations & Food Service	4,580	4,860	5,140	5,340	16.6%
Ground Transportation	210	220	220	230	9.5%
Retail (a)	700	710	720	710	1.4%
Other Travel	120	120	130	110	-8.3%
Total (b)	8,210	8,520	8,990	9,450	15.1%

Notes:

(a) Retail sales include gasoline.

(b) Totals may not sum due to rounding.

Source: California Travel Impacts, Dean Runyan Associates, 2015; BAE, 2016.

RETAIL TRENDS

Citywide Retail Trends

The City of Santa Cruz's retail sales increased 6.9 percent between 2010 and 2013, a rate significantly lower than the 19.5% increase in sales across the state. Retail sales in the city

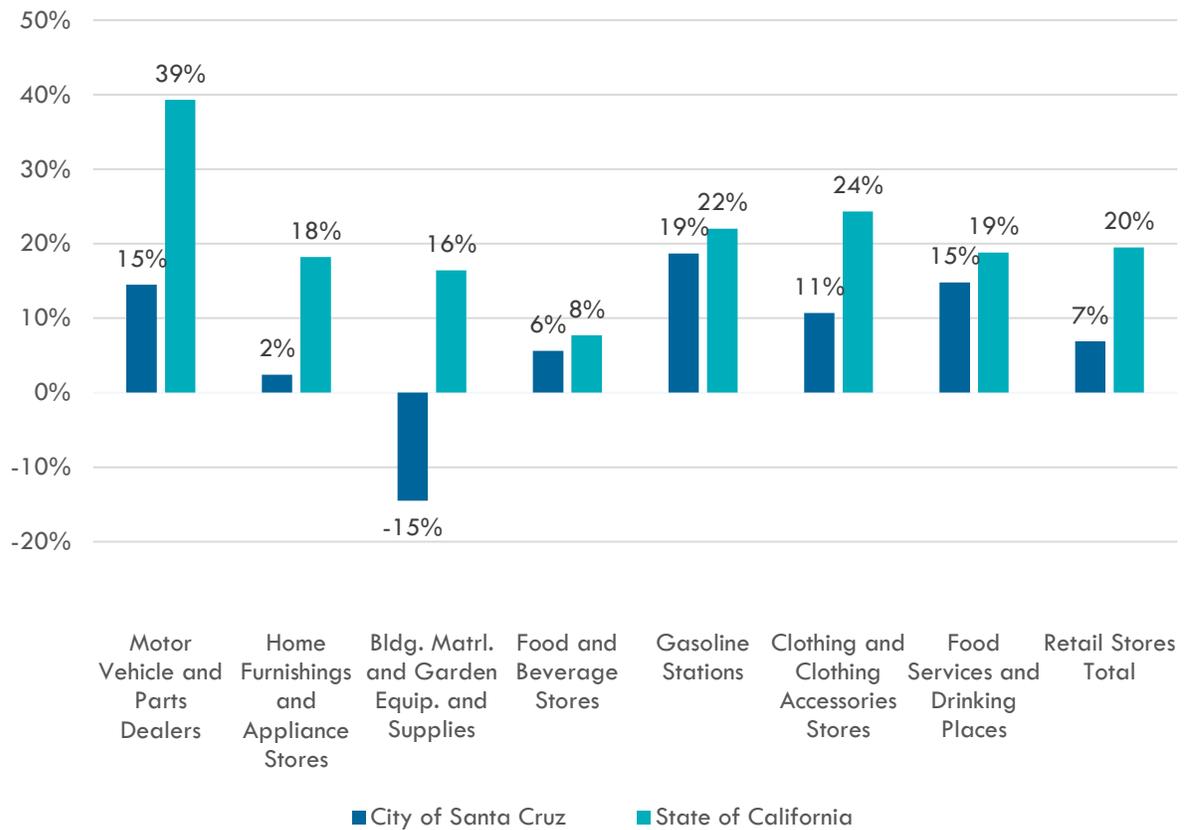
⁸ Lauren Schlau Consulting, "Santa Cruz County Visitor Profile." March 10, 2010. PDF. Accessed 7/1/16. http://www.santacruz.org/documents/publications/research/SCC_Visitor_Profile_Presentation_2010.pdf.

⁹ Lauren Schlau Consulting, "Santa Cruz County Visitor Profile." March 10, 2010. PDF. Accessed 7/1/16. http://www.santacruz.org/documents/publications/research/SCC_Visitor_Profile_Presentation_2010.pdf.

¹⁰ Lauren Schlau Consulting, "Santa Cruz County Visitor Profile." March 10, 2010. PDF. Accessed 7/1/16. http://www.santacruz.org/documents/publications/research/SCC_Visitor_Profile_Presentation_2010.pdf.

increased in nearly all categories, yet growth in all categories was consistently below that of the state. The largest increases in taxable sales in the city occurred among retailers in the gasoline stations, food services and drinking places, and motor vehicle parts and dealers categories. The only category in which the City of Santa Cruz experienced a decline in sales between 2010 and 2013 was building material and garden supplies stores (see Figure 35).

Figure 35 Change in Taxable Retail Sales, City of Santa Cruz and California, 2010-2013



Sources: State Board of Equalization; CA Dept. of Industrial Relations; U.S. Bureau of Labor Statistics; BAE, 2016.

Figure 36 Taxable Retail Sales, City of Santa Cruz and California, 2010-2013

Taxable Retail Sales 2010-2013 in 2015 \$000 (a) (b)						
	CITY OF SANTA CRUZ			STATE OF CALIFORNIA		
	2010	2013	% Change	2010	2013	% Change
Motor Vehicle and Parts Dealers	\$66,056	\$75,664	14.5%	\$50,424,135	\$70,249,527	39.3%
Home Furnishings and Appliance Stores	\$22,713	\$23,265	2.4%	\$9,309,516	\$10,999,885	18.2%
Bldg. Matrl. and Garden Equip. and Supplies	\$43,560	\$37,228	-14.5%	\$26,354,683	\$30,668,024	16.4%
Food and Beverage Stores	\$71,587	\$75,593	5.6%	\$24,263,996	\$26,131,014	7.7%
Gasoline Stations	\$63,357	\$75,180	18.7%	\$48,157,098	\$58,753,325	22.0%
Clothing and Clothing Accessories Stores	\$48,134	\$53,290	10.7%	\$29,034,317	\$36,080,367	24.3%
General Merchandise Stores	#	#	#	\$49,325,515	\$53,143,101	7.7%
Food Services and Drinking Places	\$163,619	\$187,786	14.8%	\$54,605,477	\$64,866,021	18.8%
Other Retail Group (c)	\$231,904	\$232,275	0.2%	\$56,477,670	\$64,944,622	15.0%
Retail Stores Total	\$710,929	\$760,281	6.9%	\$347,952,407	\$415,835,888	19.5%

Notes:

(a) Retail sales have been adjusted to 2015 dollars based on the annual San Francisco-Oakland-San Jose or California State Consumer Price Indices (all urban consumers), U.S. Bureau of Labor Statistics, for all geographies published by the CA Department of Industrial Relations, based on data from the U.S. Bureau of Labor Statistics.

(b) Analysis excludes all non-retail outlets (businesses and personal services) reporting taxable sales.

(c) "Other retail group" includes electronics and appliance stores, health and personal care stores, sporting goods, hobby, book, and music store retailers, and nonstore retailers.

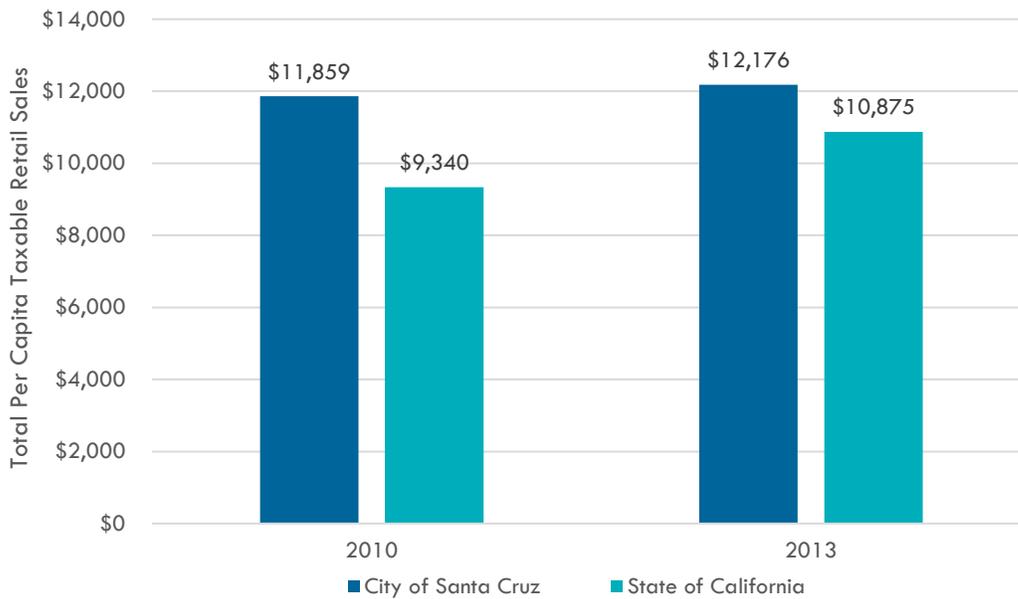
Sources: State Board of Equalization; CA Dept. of Industrial Relations; U.S. Bureau of Labor Statistics; BAE, 2016.

One metric to show the relative strength of a city's retail sector is to divide total retail sales by population to derive a per-capita sales figure that can be compared to other geographies. This approach accounts for sales growth linked to population change, and equalizes across different points in time and geographic areas. Within a larger comparison geography, one can assume that retail sales demand and supply are generally balanced. This provides a useful metric for evaluating if there are retail categories that are not well represented within the smaller geography.

Figure 37 below compares per-capita sales in the City of Santa Cruz to the State of California. In 2013, the city's per-capita taxable sales of \$12,176 was substantially greater than the state's per-capita taxable sales of \$10,875, which suggests that the city benefits from shoppers from outside of Santa Cruz spending money within the city's boundaries. The categories in which Santa Cruz benefits from sales injections include food and drinking places, food and beverage stores, home furnishings and appliance stores, and other retail. Categories in which the City experienced lower per-capita sales than the state include motor vehicle and parts dealers, building material and garden supplies, gasoline stores, and clothing and accessories stores. These findings are

consistent with the research conducted in 2011 by the Gibbs Planning Group (GPG) and the observation that the City, particularly Downtown, has the potential to capture a larger share of sales in apparel. However, this extent of the apparel leakage is not as pronounced as the GPG study suggests, nor is there leakage in sales from restaurants or bars. The 2015 per capita taxable sales data suggests that Santa Cruz could probably use a stronger presence of Downtown apparel retailers. However, given the high taxable sales observed in food and drinking establishments, the estimated 91,500 square feet of supportable retail potential in Downtown may be somewhat overstated.

Figure 37 Per Capita Total Taxable Retail Sales, City of Santa Cruz and California, 2010-2013



Sources: State Board of Equalization; CA Dept. of Industrial Relations; CA State Dept. of Finance; U.S. Bureau of Labor Statistics; BAE, 2016.

Figure 38 Per Capita Taxable Retail Sales by Sector, City of Santa Cruz and California, 2010-2013

Per Capita Taxable Retail Sales 2010-2013 in 2015\$ (a) (b) (c)						
	CITY OF SANTA CRUZ			STATE OF CALIFORNIA		
	2010	2013	% Change	2010	2013	% Change
Motor Vehicle and Parts Dealers	\$1,102	\$1,212	10.0%	\$1,354	\$1,837	35.7%
Home Furnishings and Appliance Stores	\$379	\$373	-1.7%	\$250	\$288	15.1%
Bldg. Matrl. and Garden Equip. and Supplies	\$727	\$596	-18.0%	\$707	\$802	13.4%
Food and Beverage Stores	\$1,194	\$1,211	1.4%	\$651	\$683	4.9%
Gasoline Stations	\$1,057	\$1,204	13.9%	\$1,293	\$1,536	18.9%

Per Capita Taxable Retail Sales 2010-2013 in 2015\$ (a) (b) (c)						
	CITY OF SANTA CRUZ			STATE OF CALIFORNIA		
	2010	2013	% Change	2010	2013	% Change
Clothing and Clothing Accessories Stores	\$803	\$853	6.3%	\$779	\$944	21.1%
General Merchandise Stores	#	#	#	\$1,324	\$1,390	5.0%
Food Services and Drinking Places	\$2,729	\$3,007	10.2%	\$1,466	\$1,696	15.7%
Other Retail Group (d)	\$3,869	\$3,720	-3.8%	\$1,516	\$1,698	12.0%
Retail Stores Total	\$11,859	\$12,176	2.7%	\$9,340	\$10,875	16.4%

(a) Retail sales have been adjusted to 2015 dollars based on the annual San Francisco-Oakland-San Jose or California State Consumer Price Indices (all urban consumers), U.S. Bureau of Labor Statistics for all geographies published by the CA Department of Industrial Relations, based on data from the U.S. Bureau of Labor Statistics.

(b) Analysis excludes all non-retail outlets (businesses and personal services) reporting taxable sales.

(c) Per-capita sales calculated based on sales divided by population. Population estimates for inter-censal years are from CA State Department of Finance Report E-4.

(d) "Other retail group" includes electronics and appliance stores, health and personal care stores, sporting goods, hobby, book, and music stores, miscellaneous store retailers, and non-store retailers.

Sources: State Board of Equalization; CA Dept. of Industrial Relations; CA State Dept. of Finance; U.S. Bureau of Labor Statistics; BAE, 2016.

Retail Trends in Downtown Santa Cruz

Downtown Santa Cruz is the City's historic shopping center and home to a variety of retailers. Although the State Board of Equalization does not publish data for smaller geographies, the City provided data related to sales trends in Downtown.

Figure 39 below compares the volume of retailers and sales tax charged in Downtown Santa Cruz between Fiscal Years 2012-13 and 2015-16. In FY 2015-16, retailers in Downtown Santa Cruz generated \$178.5 million in taxable sales. Between FY 2012-12 and FY 2015-16, total sales taxes generated by businesses in the Downtown area increased 2.4%. The largest sales tax growth in any one category occurred among retailers in the Eating and Drinking Establishments category, where total sales taxes increased 26.8%. Businesses in the Eating and Drinking Establishments category consistently contribute the largest share of sales tax revenue on an annual basis (see Figure 40).

Sales tax revenue declined between FY 2012-12 and 2015-16 among businesses in the Apparel and Other Retail categories. With a 5.6% decrease during this period, sales taxes in the Apparel category saw the greatest decline in any single category, despite the addition of seven stores during the same period.

Figure 39 **Retailers and Sales Tax, 2012-2015**

Number of Retailers and Payable Sales Tax in Downtown Santa Cruz in 2015\$								
	FY 2012-13			FY 2015-16			% Change	
	#	Sales Tax (a)	% of Total	#	Sales Tax	% of Total	#	Sales Tax
Apparel	47	\$32,433,550	18.6%	54	\$30,625,500	17.2%	14.9%	-5.6%
Eating & Drinking Establishments	92	\$60,019,886	34.4%	95	\$76,107,500	42.6%	3.3%	26.8%
Grocery & Drug Stores	16	\$23,747,947	13.6%	16	\$26,362,200	14.8%	0.0%	11.0%
Specialty, Art, Gift, & Novelty Stores	55	\$7,845,095	4.5%	66	\$8,034,500	4.5%	20.0%	2.4%
Book, Music, & Electronic Stores	26	\$18,578,234	10.7%	26	\$19,085,200	10.7%	0.0%	2.7%
Other Retail (b)	111	\$18,971,406	10.9%	115	\$18,354,200	10.3%	3.6%	-3.3%
Total	347	\$174,355,231	100.0%	372	\$178,569,100	100.0%	7.2%	2.4%

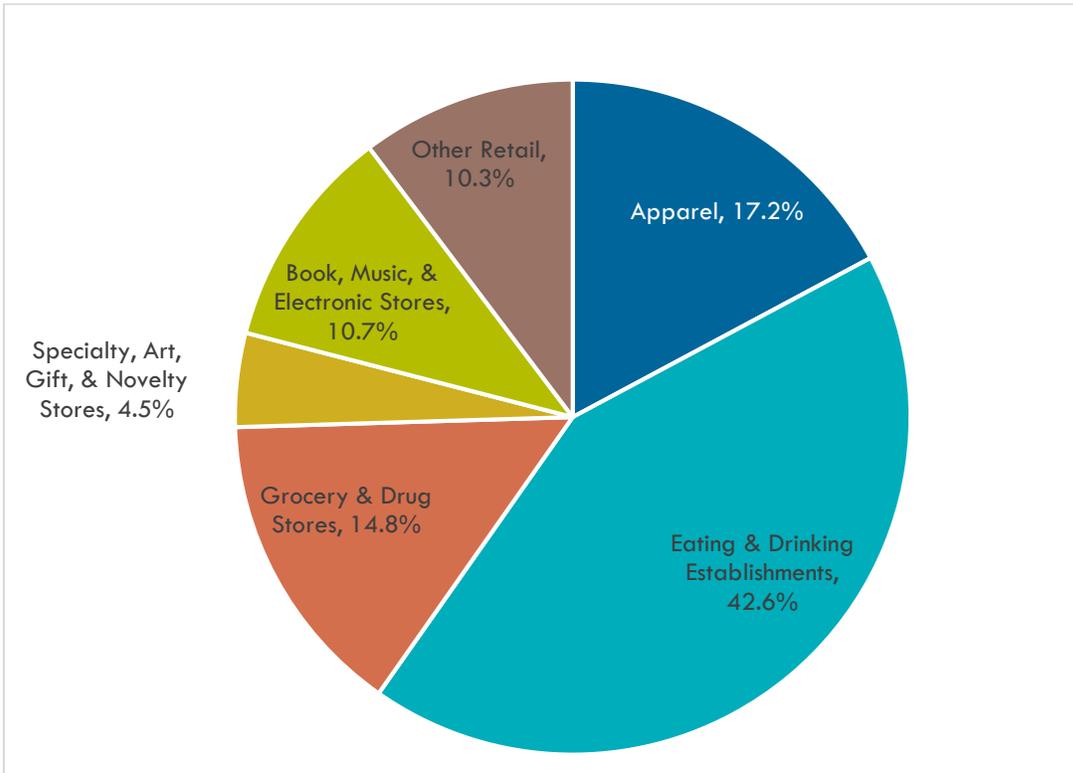
Notes:

(a) Retail sales taxes have been adjusted to 2015 dollars based on the annual San Francisco-Oakland-San Jose Consumer Price Index, U.S. Bureau of Labor Statistics for all geographies published by the CA Department of Industrial Relations, based on data from the U.S. Bureau of Labor Statistics.

(b) "Other Retail" includes the following categories: sporting goods and bicycles, florists, jewelry stores, office supplies, candy stores, tobacco stores, home furnishing stores, second hand stores, garden/agriculture supply, personal service, medical/optometry, business services, light industrial/printers, and leisure/entertainment.

Source: City of Santa Cruz, 2016; BAE, 2016.

Figure 40 Payable Sales Tax by Industry



Sources: City of Santa Cruz, 2016; BAE, 2016.

Retail Market

Santa Cruz contains multiple retail centers, including the Downtown shopping district. Figure 41 below provides an overview of the retail real estate market for the Downtown Study Area. For the purposes of this study, the City of Santa Cruz is used as a comparison geography to understand how retail market conditions in the Downtown Study Area may differ from other parts of the city. The purpose of this section is to highlight how well retail real estate is performing within Downtown, and to evaluate trends in average asking rents and vacancy.

In the first quarter of 2016, the Downtown Study Area was home to approximately 1 million square feet of retail space, comprising about 26.2% of the city’s total retail inventory. In 2014, the city added 26,537 square feet of retail space, none of which was located in Downtown. In 2015, the City of Santa Cruz, including Downtown, saw no new retail construction.

Figure 41 Retail Market Overview, Downtown Study Area and City of Santa Cruz, 2014-2016

	Downtown Study Area (a)	City of Santa Cruz
Summary, Q1 2016		
Inventory (b)	1,054,504	4,021,365
Occupied Stock	1,018,056	3,943,494
Vacant Stock	36,448	77,871
Vacancy Rate	3.5%	1.9%

	Downtown Study Area (a)	City of Santa Cruz
Inventory (% City)	26.2%	N/A
Asking Rents, 2014-2015 (c)		
Average Asking Rent (psf), 2014	\$1.76	\$1.67
Average Asking Rent (psf), 2015	\$2.26	\$1.80
% Change 2014-2015	28.4%	7.8%
Net Absorption, 2014-2015		
Net Absorption 2014	(6,640)	37,883
Net Absorption, 2015	10,597	39,639
New Activity (d)		
New Construction, 2014	-	26,537
New Construction, 2015	-	-

Notes:

(a) See map for definition of Downtown Study Area.

(b) Includes stand-alone retail properties.

(c) Average asking rents reflect NNN leases.

(d) New construction activity based on properties tracked by CoStar.

Sources: CoStar, 2016; BAE, 2016.

In the first quarter of 2016, 3.5% of retail space in Downtown Santa Cruz was vacant, a rate slightly higher than the city’s remarkably low retail vacancy rate of 1.9%. Generally, vacancy rates below 5% are considered an indication of a strong retail market.

Despite losses suffered during the Recession, the Downtown retail market has begun to recover, with positive net absorption observed in every year since 2011, except for 2014. Since 2011, Downtown Santa Cruz’s retail market absorbed 20,789 net square feet, which helped drive the vacancy rate down to 3.5% as of Q4 2015. The City of Santa Cruz, has also experienced consistent absorption since 2010, with particularly dramatic increases in 2014 and 2015. In these two years, the City absorbed over 77,500 net square feet of retail, compared to less than 4,000 net square feet in the Downtown area. In terms of annual net absorption, the Downtown Study Area and City of Santa Cruz have experienced contrasting trends since 2007; while the city has absorbed an average of 3,199 net positive square feet, the Downtown Study Area has absorbed an average of 3,423 net negative square feet each year.

Prior to 2011, Downtown retail space commanded lower lease rates than in the City of Santa Cruz overall, but in 2011, rents in Downtown surpassed the city, and this trend has continued since. In Q4 2015, the average asking rent for retail space in Downtown was \$2.26 per square foot per month, compared to \$1.80 per square foot per month in the citywide. This is due in part to a limited supply of downtown retail space and declining vacancy rate since 2014. It is important to note that this \$2.26 average rent represents a 28.4% increase since 2014. Rents for retail space in the City overall have not increased nearly as dramatically, where the average asking rent rose 7.8% between 2014 and 2015.

Retail vacancy rates in the Downtown Study Area compared to the City of Santa Cruz as a whole are shown in Figure 42, retail rents in the Downtown Study Area compared to the city as a whole are shown in Figure 43.

Figure 42 Retail Vacancies, 2007-2015

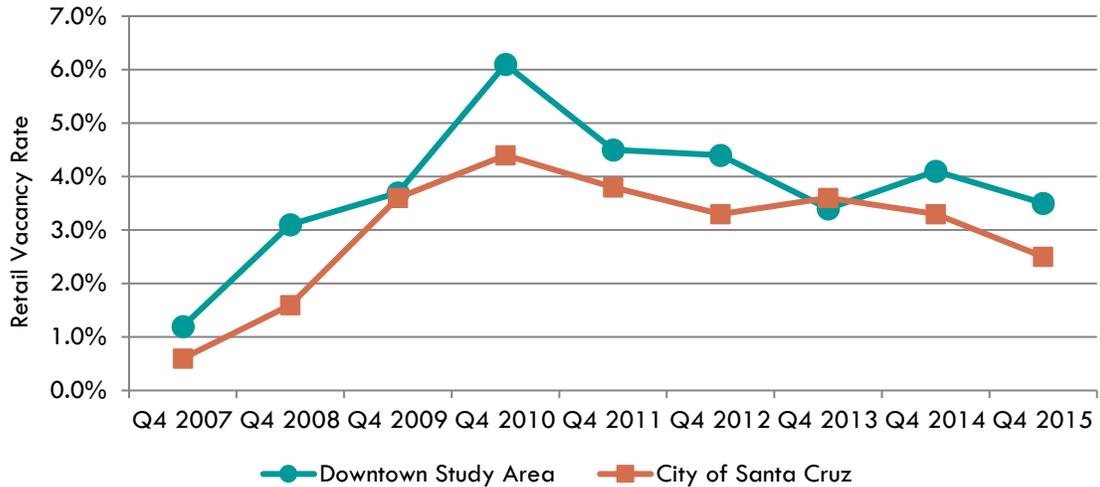
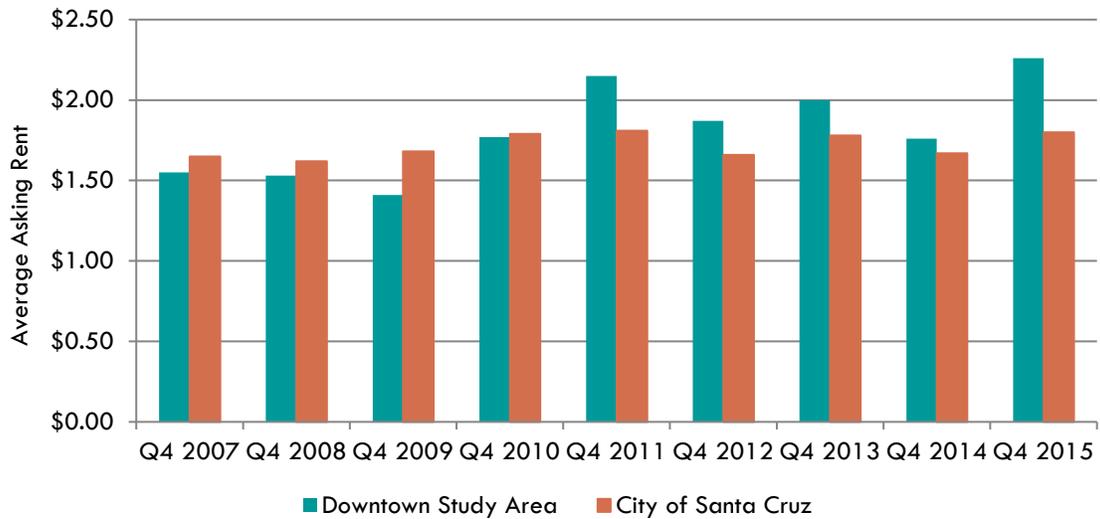


Figure 43 Retail Rents, 2007- 2015



The results of a survey of retail asking rents in Downtown Santa Cruz for currently leasing properties are summarized in Figure 44 below. All properties offer ground-floor or street-level retail space. Asking rents for the six properties currently leasing within the Study Area range from \$1.38 per square foot per month for a 5,200 square foot indivisible retail space to \$3.00 per square foot per month for a minimum 4,500 square foot space. Two properties are listed with an asking rent of \$2.25/sf/mo., which reflects the 4Q 2015 average asking rent.

DOWNTOWN SANTA CRUZ ECONOMICS OF PARKING | EXISTING CONDITIONS AND TOOLBOX
City of Santa Cruz

Figure 44 Current Retail Vacancies, Downtown Santa Cruz, June 2016

Name/Address	Total Space (sf) Space for Lease Vacancy Rate # Available	Asking Rent (\$/sf/mo) Lease Type	Min Divisible Max Contiguous	Parking Available	Details
University Town Center 1101 Pacific Avenue 	86,000 total sq. ft. 3,036 sq. ft. available 3.5% vacant 1 space available	\$2.25 sf / mo NNN \$.52 / sf	3,036 sq. ft. min 3,036 sq. ft. max		Street retail First floor tenants include apparel, restaurant, spa and upscale eye wear
The Cooper House 110 Cooper Street 	23,262 total sq. ft. 1,873 sq. ft. available 3.5% vacant 1 space available	\$2.00 sf / mo NNN	1,873 sq. ft. min 1,873 sq. ft. max	Access to public garage	Ground floor retail
1543 Pacific Avenue 	5,597 total sq. ft. 2,362 sq. ft. available 42% vacant 1 space available	\$2.25 sf / mo NNN	2,362 sq. ft. min 2,362 sq. ft. max	Shared on-site	Class A office with street level retail; high foot traffic
912 Cedar Street 	2,328 total sq. ft. 2,328 sq. ft. available 100% vacant	Negotiable NNN	1,000 sq. ft. min 2,328 sq. ft. max	Private on-site	Possible outside seating; high visibility
Walnut Center 189 Walnut Avenue 	12,000 total sq. ft. 5,200 sq. ft. available 43% vacant 1 space available	\$1.38 sf / mo Modified Gross	5,200 sq. ft. min 5,200 sq. ft. max		Street retail; 1 block from Downtown Mall
E.C. Rittenhouse 1367 Pacific Avenue 	62,181 total sq. ft. 16,398 sq. ft. available 26% vacant	\$3.00 sf / mo NNN \$.50 / sf	4,500 sq. ft. min 16,398 sq. ft. max		First floor retail; thriving retail corner

Sources: LoopNet; BAE, 2016.

PLANNED AND PROPOSED DEVELOPMENT IN DOWNTOWN

Figure 45 below summarize residential and commercial projects currently under construction, approved, or pending application in the Downtown Study Area. Collectively, these projects, all of which are mixed-use (containing multiple land uses in one structure) are anticipated to add approximately 593 new, on-site parking spaces within the study area. Most of these parking spaces will be designated for residents occupying the 382 new housing units slated for development.

The projects listed below are expected to add 53,727 square feet of commercial space to Downtown Santa Cruz, including 39,000 square feet of ground floor retail space. This new commercial space may increase the demand for parking in the Downtown Study Area. Most commercial projects in the development pipeline will pay into the district parking system, rather than constructing new spaces.

It is important to note that the Devcon and Ross projects in the tables below include unit and parking estimates that reflect increased height allowances currently under consideration by the City. Should the City or developer decide to pursue a project that is in compliance with current height restrictions, the residential unit and parking space counts will be reduced by approximately 30 to 50%.

DOWNTOWN SANTA CRUZ ECONOMICS OF PARKING | EXISTING CONDITIONS AND TOOLBOX
City of Santa Cruz

Figure 45 Planned and Proposed Residential and Commercial Development, July 2016

Project Location	Site (acres)	Residential (units)	Type	Commercial (sf)	Type	On-Site Parking (spaces)	Comments
Under Construction							
555 Pacific	0.79	95	Small ownership units (SOUs)	4,680	Commercial	129	4 story building with below-grade parking on vacant site
Approved							
1547 Pacific (Park Pacific)	0.58	63	Condominiums	5,747	Commercial	64	5 story building on vacant site
Pending Applications							
1013 Pacific	0.12	18	Condominiums	4,300	Commercial	0	Will replace existing commercial space and 3 residential units, pay into district parking
802-812 Pacific Ave (Devcon Project)	2.1	206	Apartments	22,000	Retail	200 (res)	Size reflects extra height allowance, structured parking for residential, commercial pays into parking district
410-512 Front Street (Ross Project)	1.2	140	Apartments	17,000	Retail	200 (res)	Size reflects extra height allowance, structured parking for residential, commercial pays into parking district
Summary							
Total New Planned and Proposed		382	Residential units	53,727	Commercial	593	Parking spaces

Source: City of Santa Cruz, BAE, 2016.

6 ISSUES AND OPPORTUNITIES

Based on the analysis of existing conditions, key findings relating to parking and retail activity in the study area are outlined below. These issues will inform alternative packages of options that are presented for consideration in later stages of the study.

CURRENT ISSUES AND OPPORTUNITIES

Santa Cruz has a vibrant and attractive downtown

Retail activity and population growth reflect the vibrancy of Downtown Santa Cruz. In the last five years, Santa Cruz has grown faster than the rest of the county and state, and employment has risen with recovery from the Great Recession. Almost 600 businesses operate within Downtown district employing around 4,300 people. These businesses include around 190 retail establishments with approximately 1,200 employment, 80 eating and drinking establishments with approximately 1,200 employees, and 190 professional services businesses with around 1,000 employees.

The Downtown has a number of high-performing local retailers that provide a unique flavor to the district and support its economic role as a unique retail, employment, and tourist destination. This retail activity exists within a vibrant historic district that was substantially renovated following the 1989 Loma Prieta earthquake. The Downtown also has several national brands, but no retail anchor within the district. Without an anchor store, retail analysts have expressed concern regarding the long-term sustainability of retail success within the district.

Most vehicle trips to Downtown are commuter trips

Parking demand from Downtown Santa Cruz peaks corresponds to that of employment-related demand rather than retail, entertainment or tourism. The data therefore suggests that most vehicle trips to Downtown are regular commuter trips, and not retail or tourism related trips. This does not necessarily mean that most person trips to Downtown are employment-related, since travel for other trip purposes (such as tourism) could have higher occupancies. It does suggest that there is an opportunity to alter trip-making patterns by addressing commuter travel to the area and providing incentives for using other modes.

Most commuter trips are local

In addition to the fact that most vehicle trips to Downtown are commuter trips, state employment data indicates that most commuter trips to Downtown are local. A majority of people who are employed in the Downtown live within a 5-mile radius of the Downtown, including neighborhoods within Santa Cruz, Capitola, Live Oak, and Twin Lakes. This local employment catchment provides a significant opportunity in terms of potential efforts to boost the bicycle commute mode share to Downtown.

People currently get Downtown by multiple modes

Downtown Santa Cruz is served and reached by multiple modes.

High bike mode share

The city has a bicycle commute mode share of nine percent, which is the second highest of any city in California. This bicycle mode share is supported by strong bicycle parking facilities including both short-term bicycle racks and long-term bicycle lockers. It is also supported by a historic street grid network, which gives cyclists route choice in getting Downtown via slow speed local streets as well as a network of basic bicycle lanes on arterial routes within the city. Gaps within the city's bicycle network provide opportunities to improve the attractiveness of this access mode for people "from 8 to 80". For example, wider, more protected and more continuous bicycle facilities through intersections and along arterial roads within the city are likely to appeal to riders of different abilities and tolerance for risk.



Struggling transit service

Downtown Santa Cruz also serves as a regional of transit activity centered at the Pacific Station, with more than 30 transit routes converging at the center, including regional services to Silicon Valley and Monterey County. While the Downtown features more transit access than other locations in the region, outside of a robust network to and from UCSC, the low service frequencies of 30 to 60 minutes make transit a much less attractive option than cycling or driving for most trips. Due to the poor financial performance of transit operations, transit service is declining within the Downtown. With already low service headways, further deterioration can be expected to reduce transit mode share to only those riders who are committed (transit enthusiasts), customary (travel patterns match transit schedules), or captive (having no other options).

In addition to public transit, the privately-funded Santa Cruz Trolley services supplement summertime transit service with afternoon and evening services that operate at 20-30 minute headways between the Downtown and the Main Beach. As a seasonal, part-day service, the Trolley does not address the commuter demand that constitutes the lion's share of parking demand in Downtown, but may help to relieve visitor demand and provides citywide benefits for retail and hospitality.

Parking affects the customer experience

Most trips to Downtown continue to be made by driving and parking. Parking and transportation therefore provide the first and last impressions of Santa Cruz for most visitors and retail customers.

Localized peaking within the Downtown

Based on occupancy surveys taken at peak parking times of the peak parking demand weeks within the year, ample parking is currently available to accommodate demand within Downtown Santa Cruz. However, this demand is not evenly distributed over space or time. Parking demand is more peaked in key locations and exceeds optimal levels at the Walnut Tree and Locust facilities during the peak of the peak periods. Even though parking is available in other locations close by, localized demand and a lack of knowledge of other parking facilities can negatively affect the customer experience.

Low quality parking facility design

As a downtown destination, urban design is also an aspect of the retail experience in Santa Cruz. While on-street parking in downtown Santa Cruz tends to reinforce urban design themes and walkability, the design quality of most of the off-street parking facilities (particularly structures) is visibly lower than that of other land uses in the district. A lack of spatial definition, human scale design, high-quality materials, active street frontages, landscaping, and positive pedestrian activity around parking facilities also tends to create gaps in walkability, which attracts vagrant activity and severs the Downtown from other assets such as the river frontage and residential neighborhoods.

Payment technologies are outdated and inconvenient

In addition to the negative effects of parking on urban design, perceived convenience, parking payment technologies can also have an effect on the customer experience. In Santa Cruz, on-street meters do not accept all forms of legal tender such as bills and credit cards. This adds inconvenience at various points in the customer experience including the initial arrival, potential interruption of activities to return to the meter and extend the parking period, and fear of receiving a fine if one exceeds the parking limit. As a close neighbor of Silicon Valley, the lack of basic payment technologies does not match prevailing expectations of visitors (most of whom come from the San Francisco Bay Area) in the district.

Current parking supplies exceed demand

In aggregate almost thirty percent of off-street parking in the Downtown remains empty even at the peak of the peak times.

While a proportion of these facilities reach optimal occupancies at the peak times, many facilities have less than 50 percent occupancy even during the peak periods. Based on industry optimal peak occupancy of 90 percent, this utilization rate represents significant surplus capacity of existing parking resources in the district.



Surface parking is not the highest and best use

Analysis of population and employment growth, district financial sustainability and retail vacancy rates suggests that there is both a demand and desire for infill development in Downtown Santa Cruz. To this end, the most obvious opportunity sites for future development within the downtown are surface parking lots. Among the development community and city staff, there is agreement that surface parking is not the highest and best use of downtown real estate. The opportunity cost of surface parking lots will increase in the future.

Demand for consolidated parking increases with development

Development of new land uses on surface parking lots simultaneously reduces parking supply while increasing parking demand. This change may contribute to parking capacity constraints in the future. Infill development and rising opportunity costs of parking suggests that there is increasing demand for consolidated, structured parking facilities over time. As with future development, the most obvious opportunity sites for consolidated parking supplies are existing surface parking lots within the district.

Current demand is unevenly distributed

While current supply exceeds demand in aggregate, this demand is unevenly distributed. A small number of conveniently located and inexpensively priced facilities approach capacity at peak times. On the other hand, parking facilities in the southern portion of Downtown remain less than half full even at peak times. This uneven distribution is likely the result of multiple factors including less active employment and retail activity, inadequate information or wayfinding on parking spaces, the prevailing approach direction of customers, and a lack of consistent coordination in pricing.

Wayfinding is part of the issue

A lack of appropriate wayfinding and information on parking facilities contributes to the uneven distribution of parking demand across the Downtown. No parking facilities provide real time information on parking availability and there is little information on other parking locations within the area.

Event parking may reverse the demand distribution pattern

Event venues complicate the pattern of uneven distribution within the downtown district by increasing demand in the southern portion of the district. This pattern suggests the need for integrated approaches to parking provision that addresses both event and regular peak parking demands.

Parking prices favor employees over customers

Parking within the Downtown has a range of prices from free time-limited facilities to hourly, daily and monthly parking rates, neighborhood parking permits, and event parking.

Prices express priorities

While the City of Santa Cruz has expressed a goal of prioritizing the most convenient premium parking for retail customers, parking prices send the opposite message: Employees, who are most

suited to taking alternative modes because of their regular trip patterns and potential for employer/district benefits, receive substantial subsidies through quantity discounts for off-street parking; while customers pay more than 300% that of employees for the same parking spaces.

Time limits are less efficient than prices

The exception to this pattern of favoring employees over customers is free, time-limited parking at a small number of facilities within the area. This inconsistent pricing contributes to the problem of localized peaking of parking demand within the Downtown. Furthermore, time limits are an inefficient and inconvenient means of generating customer turnover and can shorten or interrupt the customer experience or generate additional trips as customers move their vehicle to avoid enforcement after the first three hours. These differences in parking prices within the Downtown are illustrated in Figure 46.

Figure 46 Parking Pricing in Downtown Santa Cruz

Facility or Location	Likely Users	On-/Off-Street	Price	Daily Equivalent
Laurel/Spruce Extension Lot	Customers	Off-street	\$0.75/hour– \$1.50/hour	\$16.50
Front/South Lot, Front/Laurel (Events)	Spectators	Off-street	\$10.00	\$10.00
On-street Pacific and core	Customers	On-street	\$1/hour	\$12.00
On-street middle	Customers	On-street	\$0.75/hour	\$9.00
On-street periphery	Customers	On-street	\$0.5/hour	\$6.00
Civic Auditorium Lot (Church/Center)	Customers	Off-street	\$0.50/hour	\$6.00
Soquel/Front Garage	Customers	Off-street	\$5/day	\$5.00
Locust Garage, Cedar/Church Garage, Cedar/Cathcart Lot, Calvary Church Lot, Pearl Alley Lot (Cedar/Lincoln), Cedar/Elm Lot, River/Front Garage, Sentinel Lot	Customers	Off-street	\$5/day	\$5.00
Soquel/Front Garage, Locust Garage, River/Front Garage, Front/Cathcart Lot (#7), long term meters	Employees	Off-street	\$35/month	\$1.79
Other Surface Lots	Employees	Off-street	\$30/month	\$1.54
Sentinel (Church/Cedar) Lot, Front/Laurel W Lot, Front/Laurel E Lot	Employees	Off-street	\$90/quarter	\$1.54
Neighborhood (Commuter Parking Permit)	Employees	On-street	\$28/month	\$1.44
Birch Lane Lot	Employee	Off-street	\$84/quarter	\$1.44
Neighborhood (Residential Permit Parking)	Residents	On-street	\$25/year	\$0.11
City Hall, Police Lot	Employee	Off-street	Reserved & Free (2hr)	\$0.00
Walnut Tree Garage @ Union/Cedar, Front/Cathcart Lot, Front/South Lot, S Pacific Lot, City Hall, Library Lot, Upper Front Lot, Front/Laurel W Lot, Police Lot, Front/Laurel E Lot	Customers	Off-street	Free (3 hr)	\$0.00

Parking is an area-wide issue

Parking within Downtown Santa Cruz is currently only partially coordinated across the district. The difference (or lack of difference) in parking prices between facilities within the Downtown; and the difference in parking demand between parking facilities within the district illustrates that parking is necessarily an area-wide issue. Pricing, or a lack of pricing at one facility, affects visitor choices to seek parking in different locations, which in turn affects localized peaking of demand and customer experiences of a perceived parking shortage in the district.

This issue is exacerbated by a lack of area-wide, real time information on parking availability throughout the district. It is also affected by the implementation or otherwise of district-wide approaches to parking planning, management and travel demand management (TDM) measures.

Parking affects development feasibility

While minimum parking requirements in the Downtown district are less onerous than that of other parts of Santa Cruz, the requirement of 1 space per 400 square feet still requires almost as much square footage of parking as of actual land uses in the Downtown. In a Downtown area, this level of parking provision would reduce development feasibility, urban design and walkability. In order to avoid this concern, most developers and businesses in Downtown Santa Cruz opt to pay a fee instead of providing the required parking.

Future development can be expected to target surface lots

The current availability of significant parking capacity including many surface parking lots makes the (Downtown Commission) decision to allow for payment of deficiency or in-lieu fees relatively simple. Current parking availability of parking also represents an important opportunity for both future development and future parking supply as the Downtown grows.

In particular, surface parking lots represent substantially underutilized resources—especially when they generate very little income and remain 30% unused even at the peak of the peak. In historic downtown districts, these surface parking lots are often prime locations for new desirable development, which when developed reduces area wide parking supply. With ongoing economic, employment and population growth, parking demand will increase if substantial TDM and multimodal transportation improvements are not implemented.

New parking supply will be more expensive

More people, employment and economic success within Downtown Santa Cruz can therefore mean a gradual replacement of low-performing surface parking lots with a mixture of development and higher capacity multi-story parking facilities. This shift also translates to a dramatic increase in the cost of new parking supply from around \$7,000 per spaces for a typical surface parking space (including necessary landscaping, drive aisles, and so on) to approximately \$40,000 per space in a structured facility (not including the cost of land acquisition). As this shift occurs, it behooves the Downtown district to seriously weigh alternatives to simply providing more parking supply.

Parking fees favor developers over businesses

At present, developers may avoid costly parking construction by opting to pay a one-time in-lieu fee, or by committing future businesses pay a parking deficiency fee. So far no developers have

opted for the in-lieu fee. Instead, they have passed along the fee for not providing the required minimum parking to business owners and operators who have little connection to the original development decision. In difficult economic times, businesses may struggle to pay what are viewed as unnecessary fees thereby undermining this fee as a source of parking-related revenue to the city.

Downtown has robust district arrangements and engaged stakeholders

Downtown Santa Cruz has historic district arrangements as well as various overlapping assessment districts. The Downtown Parking District has been in operation since the 1950s, and generates revenue through parking user fees and parking deficiency fees for parking operations and supply. The Downtown Business Improvement District generates revenue from business assessments for district marketing, events, and programs. In addition, the Property Based Improvement District, generates revenue from property assessments for area wide improvements.

These well-established entities provide robust structures for revenue generation, programming and communications within the district. These structures could provide opportunities to leverage development, business and community stakeholders in relation to district-wide approaches to parking and TDM.

FUTURE TRENDS AND TECHNOLOGIES

There are a number of considerations and opportunities that should be acknowledged when assessing future trends and technologies for parking in the downtown area. Core markets are a significant driving force behind future trends and identifying technologies that will influence parking needs and achieve the goals of this study.

Demographics

Ultimately, the effectiveness of new technologies and their impact on parking trends in the downtown area will depend on the markets outlined below. Two generations, Millennials (those born between 1981 and 2000) and Baby Boomers (those born between 1946 and 1964) are significant influencers in how technologies are incorporated in to the downtown area and their ultimate success in changing the trends. In addition, seniors, students and people with disabilities form the core markets of the downtown Santa Cruz area. These markets are looking for comfortable, safe, efficient, and convenient options to reach the area, which includes parking options and non-driving options.

Millennials



Millennials value transportation options because they allow them the luxury of working while in transit, staying connected with peers, or relaxing while letting someone else drive. Through national experience, these young professionals and

families expect new and diverse mobility options. According to the 2010 Census, the 85.4 million Millennials make up close to 28% of the total U.S. population.¹¹

Nationally, Millennials' transportation patterns are changing. Millennials are doing the following things relative to other demographic groups:

- Purchasing fewer cars. From 2007 to 2011, the number of cars purchased by 18 to 34-year-olds fell almost 30%.¹²
- Driving less. People age 18 to 34 drove 23% fewer miles in 2009 than in 2001.¹³
- Not obtaining their driver's licenses. The percent of young people with a driver's license is on the decline. According to the Federal Highway Administration, from 2000 to 2010, the share of 14 to 34-year-olds without a driver's license increased from 21 percent to 26 percent.¹⁴
- Biking, walking, and taking transit more. Millennials use transit, bicycling, and walking more than young people have in the past two decades.¹⁵ From 2001 to 2006, bike trips increased by 24 percent among 16-34 year olds.¹⁶
- Placing more value on technology and access to technology. Part of the reason Millennials are driving less is because they are choosing to spend limited resources on technology, such as smart phones, tablets and computers. New mobile apps remove many day-to-day barriers that dissuade casual transit riders by providing easy trip planning tools and real-time information. Transit systems that allow them to stay connected while they travel are highly valued.¹⁷
- Using peer-to-peer services. Finally, millennials are more comfortable than other demographics groups in participating in the sharing economy by using tech-enabled, peer-to-peer services (such as Lyft, Uber, Getaround, Park Circa, and AirBnB). These services may increase the efficiency of use of vehicles and parking.

College Students



College students in the area are generally part of the millennial market, and have some similar travel behaviors as those listed above. Higher education is a key driver of travel demand for college-age students traveling to classes at community colleges, four-year colleges, and larger universities. This market is particularly pronounced in Santa Cruz with the presence of UC Santa Cruz. With lower income levels, students are more price elastic or responsive to changes in the price of parking and other commodities. UCSC student fees

¹¹ 2010 United States Census Data, American FactFinder

¹² American Public Transportation Association. "Millennials & Mobility: Understanding the Millennial Mindset." <http://www.apta.com/resources/reportsandpublications/Documents/APTA-Millennials-and-Mobility.pdf>

¹³ Ibid

¹⁴ Federal Highway Administration, *Highway Statistics 2010—Table DL-20*, September 2011.

¹⁵ American Public Transportation Association. "Millennials & Mobility: Understanding the Millennial Mindset."

¹⁶ U.S. PIRG. "A New Direction." 2013 <http://uspirg.org/sites/pirg/files/reports/A%20New%20Direction%20vUS.pdf>.

¹⁷ Ibid. In a survey administered by zipcar, 25% of those 18 to 34 reported that mobile transportation apps (such as taxi apps, real-time transit information, and car sharing) had reduced their driving frequency, compared with only 9% of those 55 and older.

allow all students to ride METRO by showing their ID. This, partnered with better transit service to/from campus, is a driver of student trip choice.

Baby Boomers and Older Adults



National research suggests that 85% of Baby Boomers want to age in place, or live in their homes and communities as long as possible.¹⁸ Many in the Boomer generation are also planning to downsize to homes that allow them to trade large yards requiring maintenance for smaller homes in communities where they can walk and use transit to get around. A 2013 survey by the National Association of Realtors found that 60% of Baby Boomers preferred to live in neighborhoods with a combination of shopping, restaurants and parks, as compared to 35% who preferred traditional residential neighborhoods. In one survey, 77% of active Baby Boomers identified affordable and convenient transportation alternatives to the car to be at least somewhat important when deciding where to live and work.¹⁹

People with Disabilities



Unlike commuters and most Baby Boomers, many people with disabilities are unable to drive alone and rely on transportation alternatives to reach jobs, services, and recreational areas. Individuals with disabilities who are affiliated with specific organizations (e.g., veterans organizations) may have access to volunteers and other transportation programs that are not available to the general public while those who are unaffiliated have very limited options, most of which are provided through the existing transit agencies.

Transportation Technologies

Emerging Trends

With the emergence of autonomous vehicles, on-demand rideshare services, and mobility as a service applications, people will begin to choose new ways to get around, and the way cars are used will change, affecting the parking environment and demand.

¹⁸ AARP. "Home and Community Preferences of the 45+ Population." November 2010. <http://assets.aarp.org/rgcenter/general/home-community-services-10.pdf>

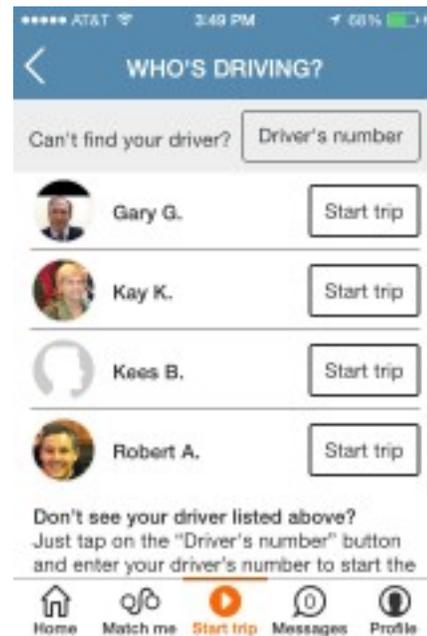
¹⁹ "Investing in Place for Economic Growth and Competitiveness", American Planning Association, 2014. Accessed at www.planning.org. In this survey 'active boomers' were defined as persons between the ages of 50 to 65.

Fully autonomous vehicles could allow for people to get dropped off in an area, while the vehicle leaves to complete other trips. Autonomous vehicles may also reduce costs in the delivery and public transit sectors, which could encourage increased usage of delivery services (reducing the need for retail trips) and more frequent transit service. On-demand ride services make it easier for people to live without owning a car and will require changes in policy and design standards to ensure safety and accessibility. Transportation Management Programs provide mobile or web based applications that serve as a one stop shop for transportation information and services and encourage behavior change to rely more on non-driving and high occupancy modes, rather than driving alone. Bike share systems are not new, though advancements in bicycle technologies make these programs more accessible for cities.



Ridesourcing

On-demand services reduce the need for owning a car, and therefore reduce the need for people to park while they are at work or are completing other daily lifestyle or recreational trips. Transportation network companies (TNCs), such as Lyft and Uber, and carpool services, such as Carma and Scoop, have been gaining popularity in the Bay Area, and around the world. Though there are many concerns around how these services impact the road network, parking supply, and overall security of other road users, many solutions are being proposed to mitigate the potentially negative impacts. Encouraging shared rides and carpools reduces the parking demand by reducing congestion and vehicle trips in the area. These on-demand services can also increase mobility options for seniors and people with disabilities and reduce the need for parking spaces. As the demand for parking reduces with an increase in the on-demand services, curb management programs can be implemented to shift how on-street parking spaces are used. Curb management programs designate curb space for TNC loading activities and reduce the risks associated with double parking for loading activities, reduce congestion for high occupancy modes, and maintain security for bicyclists and pedestrians.



Transportation monitoring programs (TMPs) provide mobility as a service options for cities and employers to encourage changes in travel behaviors by providing residents and visitors the most up to date transportation information, access to transportation options and custom trip planning

information, enabling self-monitoring of travel behaviors, and providing incentives to encourage behavior change.

Bicycles

Bike share programs reduce the barriers of owning a bike and make it convenient for people to rely on bicycling for short trips, thereby reducing the dependency on vehicles for short trips. Flexible bike share systems, such as Social Bicycles and Zagster, use “smart bikes” to establish a system at a much lower startup cost, compared to standard bike share systems, and allow for more flexibility for users of the system. “Smart Bikes” are equipped with GPS monitoring, touch pad reservations and access, and online monitoring of where the fleet is. Flexible bike share systems use the publically available bike parking supply by allowing users to electronically lock a bike to any existing bike rack, and often have a pricing model that encourages trips within a core area.



Parking Operations

As the transportation industry continues to leverage technology, the way people get to the downtown area will inevitably change. With driving becoming less popular for millennials, it is expected that as this group ages, there will be a lower demand for parking. With the rise of on-demand transportation and mobility as a service companies, baby boomers, seniors, and people with disabilities will also have more options available to reach the study area without having to drive alone, and park.

With the recent advances in driverless technologies and automated vehicles, there is an opportunity to leverage this technology to use space allocated for parking more efficiently. Vehicles on the road today can already safely navigate with a parking garage, park, and return to the parking lot entrance on demand. As this becomes a more common feature in cars, existing parking lots or structures will be able to accommodate more cars, by creating smaller spaces and eliminating the extra space used for passenger ingress/egress. Alternatively, appropriately designed parking facilities could be repurposed for other uses.

Figure 47 Artist's Impression of Parking Conversion with Autonomous Vehicles



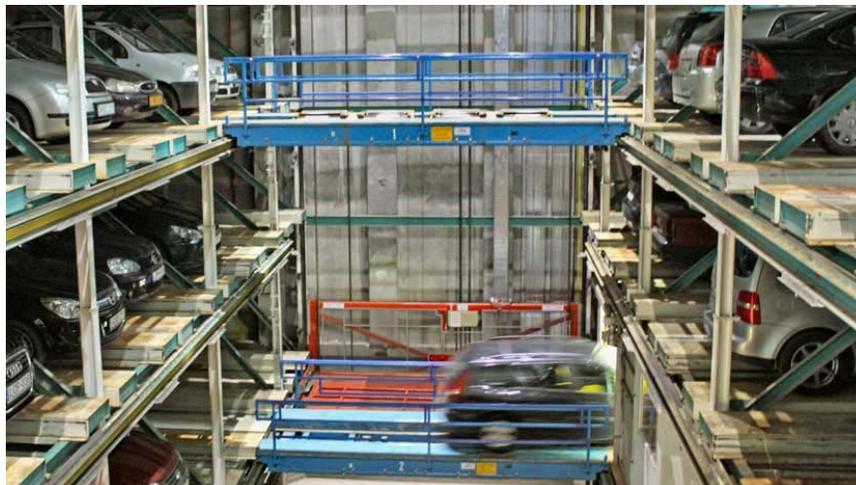
Source: Arrowsstreet Architects

Automated parking garages and retrieval systems are also being developed to more efficiently store vehicles (see Figure 48). These structures essentially act as an elevator system for vehicles and can transport a parked car into an available space with an automated platform that can move both horizontally and vertically. The structures eliminate the need for drive aisle, ramps, and maneuvering space within a parking garage, requiring a smaller footprint, and reduced construction and land costs.²⁰ In automated parking garages, drivers park on a platform and exit the vehicle. Once free of passengers, the car is transported to an available place and offloaded, so the platform car return to the entrance. Drivers may request their vehicles through a kiosk and the platform returns the car to the parking facility exit point, where passengers may load and drive away. Many cities development already employ vehicle stacking technology on a smaller scale for residential and other uses. These technologies can be accommodated through zoning code amendments to allow for different parking technologies and dimensions. The new Hyatt

²⁰ FATA Automation, <http://automatedparking.com/>, accessed July 2016.

Place Hotel, currently under construction at Broadway and Ocean Street will feature Santa Cruz's first hydraulic stacked parking lifts.

Figure 48 Automated Parking Facility (top) and Mechanical Parking Lift (bottom)



Source: FATA Automation <http://automatedparking.com/> (top); NelsonNygaard (bottom)

As driving becomes less prevalent in the downtown area, the City could consider partnering with a number of mobile applications that allow residents or business owners to rent their parking spaces on an hourly basis to visitors. This would allow the City to be more efficient with the space that has already been allocated for parking by opening up a larger portion of the parking stock to the general public and reducing the need to create more parking.

As parking programs are modified, enforcement of time restricted and paid parking becomes an important element of a city's parking program. Technologies, such as license plate recognition (LPR) systems leverage new technologies to improve parking enforcement. These improvements can reduce the capital costs and increase profits from parking management programs.

Video detection, license plate recognition (LPR), and real time information is also used to help retail customers to find parking in a timely manner as well as to find their car again after they finish shopping. These technologies are increasingly common in Europe, Australia and Asia, and their popularity is now growing in the United States.

Figure 49 Smart Parking Facilities



Source: ParkAssist

7 PARKING TOOLBOX

KEY STRATEGIES

Based on this analysis and our extensive knowledge and experience in parking management, we will develop a list of potential tools that might be used to address these issues and opportunities. These tools could relate to parking requirements, regulations, policies, pricing, supply, operations, and technologies. In addition, the toolkit may encompass district land use and transportation planning, urban design, revenue investment, shared parking arrangements, wayfinding, information, and signage as they relate to parking. At a minimum, tools to be considered include the following:

- Parking requirements or associated amendments such as reduced minimums
- Shared parking such as leasing of private garages for public use
- Parking District in-lieu fees, or parking credits for new development
- User fees including flat, hourly, validated, and dynamic pricing for meters and garages
- Time limits and restrictions
- Employee parking plan to free up prime Downtown spaces for visitors and shoppers
- Parking operations and technologies aimed at improving efficiency
- Wayfinding and signage including district branding and real time availability information
- Satellite parking approaches that involve Trolley connections between parking facilities, Downtown businesses, and the beach area
- Development and construction of new parking supplies
- TDM recommendations

Amended Parking Requirements

Cities have been using minimum parking requirements for decades as a means to account for a given land use's parking demand to ensure that an adequate parking supply is available. Minimum parking requirements, however, have emerged as one of the biggest obstacles to many cities' efforts to encourage new residential and commercial infill development, and ultimately undermine many cities' efforts to create attractive, vibrant, and walkable communities. More specifically, minimum parking requirements have been shown to:

- Create an oversupply of parking in almost all communities in all but the highest periods of parking demand
- Devalue the true costs of parking to drivers, thereby creating an incentive to drive, which results in more local congestion and vehicle emissions

- Require tremendous amounts of land, thereby degrading the physical environment and impacting a community's urban form, design, and aesthetics
- Limit the ability to do urban infill projects or adaptively reuse historic structures
- Make projects more expensive and reduce overall development feasibility

Reduced and more flexible parking requirements are appropriate in almost all situations. Reduced requirements are particularly justified in higher density, mixed-use areas due to reduced demand through transit access, higher facility and user costs, and presence of parking management strategies.

Reducing or eliminating minimum parking requirements does not mean that no new parking will be constructed, but rather developers will determine the appropriate level of supply based upon market demand. Provision of off-street parking comprises a significant portion of development costs. By reducing the needed amount of parking for new development, each tenant will experience a lower overall cost, thus making the cost of new development and housing more affordable.

A city looking to reduce or eliminate their minimum parking requirements should consider the following principles:

- Reduce minimum parking ratios to rates that allow businesses to use their land more productively and dedicate a larger proportion of the site to their land use rather than to parking;
- Establish requirements based on actual observed parking demand;
- Consider eliminating parking minimums where the private market could best determine the appropriate level of supply;
- Allow for the reduction of minimum parking requirements through the payment of in-lieu fees or implementation of trip reduction programs.

Shared Parking

Shared parking refers to the use of a parking space to serve two or more individual land uses without conflict or encroachment. Successful shared parking strategies are typically implemented under one of two scenarios:²¹

1. Variation in the accumulation of vehicles by hour, day, or season at the associated individual land uses. For example, a space could be utilized by a bank that is open during the daytime and then subsequently utilized by an adjacent business that operates during the evenings such as a restaurant.
2. Relationships among the land uses result in visiting multiple land uses on the same auto trip. Often referred to as "park-once," this allows users to link multiple trips, such as errands or meetings, by foot without moving their vehicle.

Shared parking can significantly improve the efficiency of existing parking, and may allow new infill development to occur without the need for additional parking. In Downtown Santa Cruz, for example, office, retail, restaurant, institutional, and residential uses have parking demand that peaks at different times of day and days of the week. Parking ratios for the Downtown Parking District were developed as a reduction to citywide requirements in part due to the occurrence of

²¹ Smith, Mary S. *Shared Parking*. Washington D.C.: ULI, 2005.

shared parking . Shown in Figure 50 are typical peak occupancy rates for different land uses by the time of day.

Figure 50 Typical Peak Occupancy Rates by Land Use and Time

Uses	M-F 8AM-5PM	M-F 6pm-12am	M-F 12am-6am	Weekend 8am-5pm	Weekend 6pm-12am	Weekend 12am-6am
Residential	60%	100%	100%	80%	100%	100%
Office/Warehouse/Industrial	100%	20%	5%	5%	5%	5%
Commercial	90%	80%	5%	100%	70%	5%
Hotel	70%	100%	100%	70%	100%	100%
Restaurant	70%	100%	10%	70%	100%	20%
Movie Theater	40%	80%	10%	80%	100%	10%
Entertainment	40%	100%	10%	80%	100%	50%
Conference/Convention	100%	100%	5%	100%	100%	5%
Institutional (non-church)	100%	20%	5%	10%	10%	5%
Institutional (church)	10%	5%	5%	100%	50%	5%

Data Source: Victoria Transport Policy Institute "Shared Parking Facilities Among Multiple Users," 2015.

In almost all scenarios, it is better and less expensive for a city to first increase the efficiency of how the existing supply of parking is used, rather than to simply build more spaces. More efficient use of existing parking supply yields economic benefits to the community, since property owners can make money from their underused parking supplies, and the city can benefit from businesses operating on land that would otherwise be given over to parking. Fewer, more strategically placed lots and structures also allow for better urban design, more contiguous shop frontages, and an active streetscape. In addition, consolidation of supply into new structured facilities, provides the opportunity of in-fill development on existing surface lot sites.

Public-private partnerships can be utilized to establish a common pool of shared, publically available spaces. Under public-private shared parking arrangements, spaces may be leased to the city by private operators, or may be operated in a joint manner. These types of partnerships are particularly useful in places where there is a high demand for parking that is surrounded by large private parking supplies that are underutilized for much of the day or year. At present, the City has shared parking agreements, which lease spaces from privately owned lots and allow public enforcement and citation revenue collection on some private lots.

District In-Lieu Fees or Parking Credits

In-lieu fees and parking credit programs provide an alternative for projects having difficulty meeting minimum parking requirements on-site due to space constraints, inefficiency of use, or providing parking in a small constrained site. These programs are an economic development tool and facilitate otherwise unfeasible projects, while still providing community benefits to the City.

These programs are voluntary because a developer, property owner, or lessee has a choice to build the required on-site parking or pay the fee instead.²²

Fees generated from these programs can be used to pay for parking spaces in public facilities, which encourages shared parking between users, or to finance other parking management solutions.

Benefits of in-lieu fees, deficiency fees, and parking credits are related to good urban form, economic vitality, and sustainability and include²³:

- **Flexibility:** Developers are given the option to opt out of providing the required minimum amount of parking spaces which may prove to be too difficult or expensive for construction or adaptation of existing uses;
- **Shared Parking and Mobility Improvements:** Revenue generated from in-lieu fees can go towards provision of shared public parking supply, as well as transportation improvements and/or streetscape enhancements that improve both mobility and economic vitality;
- **Park Once:** The opportunity for shared and consolidated parking supply presented by in-lieu fees allows for more drivers to park once and visit multiple sites on foot, reducing vehicle travel and stimulating economic activity for local businesses;
- **Historic Preservation:** Traditional parking requirements can discourage adaptive reuse of older buildings. By removing the mandate to provide all parking spaces on-site, in-lieu fees make it easier to restore historic buildings and revitalize older business districts;
- **Fewer Variances:** Developers often request variances from cities when providing the required amount of off-street parking proves too difficult. These variances weaken general plans, require costly administration, and create an unequal climate for development. By reducing instances of variance requests, in-lieu fees foster a more equitable and efficient environment for development;
- **Better Urban Design:** By eliminating the need for parking lots in front of businesses, in-lieu fees allow for continuous storefronts and building frontages that are not disassociated from the sidewalk by dead space and vehicular movements. In addition, in-lieu fees give developers greater opportunity to undertake infill and redevelopment projects, while architects have greater freedom to design more aesthetically pleasing buildings that consume less land.

At present, the City of Santa Cruz has provisions for an in-lieu fee, however City staff note that it has never been utilized. In terms of ensuring the vitality of the Downtown area, reassessing the in-lieu fee rates and deficiency program may be a viable option as deficiency fees push financial burden onto business owners, whereas in-lieu fees are paid by developers at time of construction.

²² Courts have not required parking in-lieu fees to meet the legal requirements of the California Mitigation Fee Act (AB 1600, 1987, Gov. Code § 66000).

²³ Shoup, Donald. *The High Cost of Free Parking*. American Planning Association, 2011.

Parking Pricing

Demand-Based Pricing

The price of parking has been shown to be a highly effective mechanism in changing parking and travel behavior. Demand-responsive pricing involves altering the cost of parking according to the level of demand. During times of higher demand, parking has a higher price and thus encourages both a higher rate of turnover and the use of other modes; during times of lower demand, parking has a lower price.

The primary goal of demand-based parking pricing is not simply to generate revenue, but rather to make it as easy as possible to find a parking space. By setting specific availability targets and adjusting pricing, demand can be effectively managed so that when a motorist chooses to park, they can do so without circling the block or searching aimlessly. Demand-based pricing can result in the following benefits:

- Consistent availability and ease in finding a parking space
- Convenient payment methods (credit cards, pay-by-phone) that eliminate the need to “plug the meter” and make it easier to avoid parking tickets
- Reduced search time for parking, resulting in less local congestion and vehicle emissions
- Reduced illegal parking and improved safety and street operations
- A more equitable and efficient way to account for the real costs to a city for providing parking

An ideal occupancy rate for on-street, curb spaces is approximately 85% at even the busiest hour, a rate which leaves about one out of every seven spaces available, or approximately one empty space on each block face. For off-street facilities where motorists turnover less frequently, target rates should be even higher, at approximately 95%, to ensure that supply is optimally utilized. These rates provide enough vacancies that visitors can easily find a spot near their destination when they first arrive.

For a given block or off-street facility, the “right price” is the price that will achieve this goal. This means that pricing should not be uniform: the most desirable spaces need higher prices, while less convenient lots are cheap or may even be free. Prices could also vary by season, day of week, or time of day.

The cities with the most effective parking pricing programs also monitor on- and off-street supply with regular occupancy counts and grant city staff discretion to adjust hours/pricing in response to changes in demand.

Conventional Pricing

Conventional parking pricing typically consists of hourly, tiered, and validated options. Hourly parking charges vehicles an hourly rate, with a predetermined maximum cost for all day parking. Tiered parking determines rates by the length of time a vehicle is parked, with an increase in cost every three hours, for instance. Validated pricing encourages visiting specific business in the area, by discounting the parking rate when drivers visit select businesses. Validated parking is most commonly used for business that typically result in long visits, such as movie theaters.

With conventional parking pricing, hourly, daily, and monthly parking prices should be set based on market prices in the surrounding neighborhood. The price for parking should facilitate a

demand that exceed 90% of available supplies – a level at which research has shown that parking systems are deemed efficient. For parking management plans with the goal of encouraging non-driving modes, prices should not drop, even if demand decreases below the 90% threshold.

Time Restrictions

Using standardized time regulations throughout the downtown area is an effective strategy to increasing turnover and parking availability, especially in popular parking areas. This increases the availability of conveniently located parking spaces for patrons, rather than employees of the area. For time limited parking to be convenient and maintain customer friendliness they should be consistent within the district, though specific spaces could be designated for short-term parking to facilitate quick trips such as pick-up and take-out services. Time restrictions in the downtown area, are most effective when paired with parking pricing and Residential/Employee Permit Programs (R/EPP).

Parking Operations and Technologies

In the past decades, various techniques have emerged to increase the efficiency of how parking can be provided. These options should be considered as alternatives to conventional parking provision for regular or peak parking demand. Key techniques and technologies include the following:

- Valet parking, which employs people to increase parking capacity during peak periods and special events.
- Stacked or mechanical parking involving the use of hydraulic lifts to boost the capacity of regular residential or employee parking facilities.
- Fully automated or robotic parking garages, which allow very space efficient storage of vehicles without.

Real-time availability information for an overall facility can be derived from the access control of the parking garage, calculated based on the number of entries and exits at any given time. To provide garage floor-specific information on where spaces are available, each parking space needs a sensor (typically embedded in the floor) that communicates wirelessly with a central system to sense when the space is occupied.

Wayfinding and Signage

Wayfinding signage helps orient visitors, shoppers, and residents alike, pointing them to area parking facilities, retail establishments, pedestrian and bicycle access routes, and other important destinations. Wayfinding strategies seek to efficiently coordinate movement within a neighborhood, pointing users of all modes of travel to the best access routes for their destination. It represents an important part of a comprehensive circulation and parking management strategy, improving the customer-friendliness of a neighborhood or district.

Parking signs can direct motorists to underutilized off-street facilities, freeing up the most convenient “front-door” curbside spaces, and maximizing the efficiency of a parking system. Improved wayfinding in the form of new signs helps maximize the use of off-street parking facilities, representing another way to help eliminate traffic caused by cars “cruising” for on-street parking. Wayfinding helps dispel perceived (but not actual) shortages in parking.

Cities are increasingly implementing real-time parking signage within new or proposed parking facilities. Real-time availability displays direct vehicles to those off-street lots with the most availability. Pricing information can also easily be displayed on parking wayfinding signage. The capital cost of real-time availability displays ranges from \$25,000-\$50,000 per unit. Annual operating and maintenance costs are typically \$500 per unit.

Figure 51 Parking Wayfinding Signage



Satellite Parking

Satellite or remote parking is a common solution to a lack of parking and space in a congested area like a central business district. Typically setup as off-street on the periphery of core areas, satellite parking facilities are commonly connected to the primary destination by shuttle buses or local circulators, such as the Santa Cruz Trolley. Generally speaking, motorists prefer to park near their destination as opposed to taking a shuttle from a remote location, but in high parking demand locations this has been a very effective way of handling overflow at times of extreme demand. In an effort to reduce the inconvenience of satellite parking, shuttles are commonly free, funded through money collected from priced parking in the destination.

At present the Seaside Company, which owns and operates the Santa Cruz Beach Boardwalk, operates a private shuttle service between a satellite parking lot at the County Government Center (701 Ocean Street) and the Boardwalk. The Seaside Company leases the remote lot from the County on weekends and holidays.

New Parking Supply

If the above parking management strategies are deemed insufficient to accommodate future demand, the City may consider provision of new off-street parking facilities. A key consideration in assessing the feasibility and cost of new off-street facilities is the assemblage of parcels; if acquisition of real estate is required, cost and implementation time can increase substantially. Previously, the Downtown Commission recommended the construction of a new parking

structure on the site of the existing Cedar/Cathcart surface lot (Lot 4). Listed below are existing publically owned opportunity sites within the study area:

- Cedar/Cathcart Lot (Lot 4)
- Front/Cathcart Lot (Lot 7)
- METRO Site

Provided in Figure 52 are cost estimations for a variety of parking structure types on a standard 25,000 square foot site. In general, construction below ground increases costs significantly, while automated technologies decrease the amount of accessory space required per stall, thus decreasing construction costs per stall. These cost analyses are based on CPI and Engineering Cost Index parameters adjusted for 2016 local context with a markup percentage provided by the California Department of General Services.

Figure 52 Parking Structure Cost Analysis

Facility Type	Stalls	Floor Levels	Site (sf)	Building Area (sf)	Efficiency per Stall (sf)	Cost per Square Foot	Cost per Stall	Equivalent Construction Cost
Surface Lot	78	1	25,000	25,000	320	\$20	\$6,500	\$507,000
Above Grade Parking Structure	208	4	25,000	100,000	480	\$93	\$44,700	\$9,309,000
Below Grade Parking Structure	128	3	25,000	75,000	585	\$153	\$89,700	\$11,490,000
Above Grade Parking Structure with Automated Operation	392	4	25,000	100,000	255	\$153	\$39,000	\$15,304,000
Below Grade Parking Structure with Automated Operation	275	3	25,000	75,000	273	\$236	\$64,500	\$17,732,000
Combination of Above Grade and Below Grade Parking Structure with Automated Operation	392	4	25,000	100,000	255	\$203	\$51,800	\$20,307,000

Source: Watry Design, 2014 and California DGS, 2016

SCREENING OF PARKING TOOLS

The Parking Toolbox Matrix presented in Figure 53, provides a screening assessment of each tool in terms of level of effectiveness and appropriateness for the Downtown Study Area. The matrix is intended to be used to provide a preliminary reference point to ensure all appropriate tools are considered and to provide a screening analysis of items that the City may want to be included or does not want to be pursued further in the next steps of this study.

Figure 53 Parking Toolbox Matrix

	Strategy	Retain Vibrancy of Downtown	Encourage People to Spend Time Downtown	Support Existing Retail	Attract New Retail	Accommodate Future Commercial and Housing Growth	Make Most Efficient Use of Parking Resources	Prioritize Premium Parking for Retail Customers	Provide Flexibility to Reflect Future Trends in Parking Demand	Increase Access to Downtown by Parking or Other Means	Cost	Ease of implementation
1	Amend parking requirements (Reduce minimums, eliminate minimums, introduce maximums)	+	—	—	+	+	+	—	+	+	+	—
2	Public-Private Parking Partnerships (Lease private lots for public use, private lots with public enforcement, third party management of shared lots)	+	+	+	+	—	+	+	—	+	+	+
3	Reassess in-lieu fee / Eliminate deficiency fee	+	—	+	+	+	—	—	—	—	+	—
4	Demand-based pricing (Dynamic pricing and elimination of quantity discounts)	+	+	+	—	—	+	+	+	+	+	—
5	Valet parking program	+	+	+	+	—	+	+	+	+	×	+
6	More efficient parking technologies (Stacked, Mechanical, Automated Parking)	—	—	—	—	+	—	+	+	+	—	—
7	Improve Parking Wayfinding and Real-Time Availability Information	+	+	+	+	—	+	+	+	+	+	—
8	Satellite parking	+	—	—	—	—	+	+	—	—	×	—
9	TDM Ordinance (employee commuter benefits, TMA transit supplements)	+	—	+	—	—	+	+	—	+	+	—
10	Construction of new consolidated supply (and redevelopment of surface parking)	+	—	—	—	+	+	+	—	+	×	—

Uses parking policy to achieve Downtown Objectives/Goals	+
May contribute to Downtown Objectives/Goals or have no effect	—
Implementation may detract from Downtown Objectives/Goals	×