In-lieu Parking Fee Formula

The Venice Local Coastal Program, Land Use Plan (Coastal Commission Certified June 14, 2001) (LUP) states that in-lieu parking fees shall reflect the actual replacement cost of the absent spaces. In the section titled "Implementation Strategies" (Chapter II, Land Use Plan Policies, Policy Group II, Shoreline Access, Parking Requirement Table on page III-11), the document reads: "The in-lieu fee for a BIZ parking space shall be established in the (LIP) at a rate proportional to the cost of providing a physical parking space." No other reference establishes the cost of in-lieu spaces when they are not BIZ, therefore, we must assume that the cost of these spaces is equal when referring to non-BIZ in-lieu spaces. No LIP (Land Implementation Plan) has been established as of this writing; however, the Venice Coastal Zone Specific Plan (VCZSP) is the City of Los Angeles' interpretation of an LIP.

In-lieu parking fees should not be considered as a solution to providing required parking, but rather as a means to provide required parking offsite when it is not feasible to locate the parking spaces within the proposed project. In no way should it be construed that in-lieu parking is a reduction in parking requirements for a project nor any form of subsidy or joint cost with the City or other public entity.

Careful consideration needs to be made before granting in-lieu parking allowances to prevent a negative buildup that burdens the residences, businesses and the City in the area where the lack of on-site spaces are available, as well as the area surrounding the off-site location.

Before the City can impose a fee rate for in-lieu parking spaces, several factors must be considered to determine the fair value of the parking space that is being purchased. Some of these factors include, but are not limited to, the number of spaces being requested, the type of project use that is requesting to purchase the spaces, the land cost where the spaces will be placed and, of course, the actual physical construction costs to build the parking spaces. Other factors, such as the impact on the community because of the lack of required spaces, might require the cost of the in-lieu fees to also include valet or shuttle services before granting spaces as a viable option.

The fees collected must be used to create the required parking spaces in a timely manner. Banking the funds for future grand scheme projects that may be many years down the road are not a viable solution. At the time the in-lieu spaces are purchased, a time commitment must exist that defines when the off-site spaces will become available for legal parking uses.

The project must describe how the in-lieu fees will service the project over the long term. A travel plan must accompany the in-lieu fee request to ensure the distance to and from the project has been considered and addressed to the satisfaction of the Venice Neighborhood Council.

All required dwelling unit parking spaces MUST be provided on site. No in-lieu spaces may be provided for these. This is excluding BIZ requirements for multi-dwelling projects and guest parking for single family dwelling projects.

Valet services that provide remote parking lot shuttle services often consume on-street curbside parking spaces that are used for the unloading and loading of passengers. When this service is proposed for shuttle service to the in-lieu lot, the required parking spaces for the project shall be increased by the number of public spaces being utilized at the curbside. These increased spaces may be located in the in-lieu fee remote lot.

The in-lieu fee must reflect the fair market value of the cost to create a parking space. Both the construction cost and land value must be reflected in the fair market amount.

An individual project that intends to construct the in-lieu parking lot as part of a master project may elect to post a construction bond instead of paying the in-lieu fee. The bond amount will be twice the estimated cost to construct the lot. The completion of the in-lieu lot must be finished within a two-year period from the completion of the individual project that required the in-lieu parking. Lack of performance will result in the City completing the project and leveling the charges onto the individual project owner.

The zoning and use of the project seeking the in-lieu fee must be factored into determining the fair market value of the spaces being purchased. A commercial project must use land of similar zoning so as not to impact residential neighborhoods. For example, a 24/7 restaurant shall not be allowed to use a parking lot between two apartment buildings since the traffic coming and going all night long would have adverse effects on the people trying to sleep in the middle of the night.

The real costs to construct the parking space must be determined. This amount may vary depending on the type of construction proposed. Above ground parking is more expensive than parking at grade, and subterranean is even higher.

Landscaping and other amenities, such as trash collection, lighting, access control gates, safety patrols and long term maintenance should be considered to ensure that the proposed parking spaces do not have a negative impact on the surrounding community. The City has specific codes for parking lots that must be adhered to when permitting the construction of a parking lot.

In-lieu parking stalls may only be purchased when an alternate parking plan for the project is specified. The parking plan needs to describe the distance to the remote lot, how the remote lot will service the project, any ongoing fees or taxes that may be involved with using the remote lot and how the remote lot will be maintained. If the trip distance to the remote spaces adds a shuttle or valet service, the expense of such services needs to be considered when determining the overall project feasibility (example: can a 600 SF restaurant remote park ¼ mile away? With a trip time of ten minutes round trip, for the first service for dinner, at least four valets would be required to prevent the cars from backing up on the street, so I would say no way, unless the restaurant is charging $100 or more for food per person or the valet charges $25 for parking).

The aisle width and turn-around space to enter and exit a parking lot must also factor into land utilization. Based on the LA City Department of Building and Safety Parking Lot Standards (L.A. Ord. 142,306 P/ZC 2002-001 dated 12/15/2005), an allowance for turning and back-out clearances is approximately 100% (one hundred percent) the size of the parking space requirement (parking space = 160 SF + 160 SF clearances = 320 SF per parking space). The information presented here assumes a parking lot size of 25 or less bays with a single entrance and exit and therefore, one-way traffic aisles allowed. This information may be adjusted based on specific lot design requirements.

The in-lieu fee when applied to BIZ spaces in projects that are providing all other on-site parking obligations per code may elect to reduce the calculated parking cost by the value of the land. This reduction in cost assumes the BIZ space(s) will be used by the general public, so cost of construction may therefore assume public land can be utilized.

For the purpose of maximizing the available resources and determining land utilization, let's assume a commercial property being developed for parking will include a multi-story structure. The structure will provide one subterranean level and three stories above grade. The top story, which is considered the roof level, will fit below the maximum height limit of the Venice sub-area where the lot is located and therefore, can be used as one of the three above grade parking levels.

The math to determine the fair market cost becomes fairly simple once all the factors have been valued.

Cost of Land
	Residential/Commercial/Public Land

Cost of Construction
	Height limit (number of stories if structure is proposed)
	Materials Used (must blend into surrounding neighbors)

Amenities
        Trash Receptacles
        Lighting
        Landscaping (per LAMC)
        Utilities (water and electricity)
Long term maintenance and upkeep

Revenue
        Meters
        Valet Leases
        Parking Permits
        Mixed-Use (parking over ground floor retail or residential over parking)

Let's assume…

A business on Abbot Kinney wants to expand and needs four additional spaces. Therefore:

The replacement land for the spaces must use "C" zoned comparable land values there. Recent sales show similar real estate values make the land worth $1,750,000. The typical lot size is 30 x 100 feet or 3000 square feet (not including any off site allowances, such as to the center line of the alley). The Venice sub-area height allows the construction of a 30 foot structure. A licensed contractor who has been building parking structures around town for years quoted one story below grade at $35,000 per space and three at or above grade at $25,000 each for the building expenses. The landscaping and lighting costs were included in the contractor's bid. The project permit for the conditional use permit will address valet service to the lot along with long-term maintenance to be provided by the applicant.

The cost of at or above grade parking spaces is making the following assumption: type of construction is reinforced concrete, all grading included, landscaping and lighting included, lot striping and signage included, City permits, inspections and fees paid. With subterranean spaces, the cost increases when water or other special conditions exist.

Based on this information, one parking space will be provided at:

Standard Car: 8'-4" x 18'-0" (8.33' x 18' = 150 SF)
Turning Aisle: 150 SF (Assuming single aisle)
Total Allowance: 300 SF

Cost of Land: $1,500,000
Lot Size: 3,000 SF (30 x 100)
Zone: "C"

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Land Cost SF:       $500
Cost/Std. Car:      $150,000 = (300 SF * $500)
Max Height:         30 Ft
No. Stories:        4 (1 Sub + 3 Above)
Cost of Const.      $102,500 = (1Dn (35k) + 3Up (67.5k) )
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Cost per Space for:

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Four Story:   $63,125 = 4 / (150,000 + 102,500)
Three Story:  $72,500 = 3 / (150,000 + 67,500)
Two Story:    $97,500 = 2 / (150,000 + 45,000)
Single Story: $172,500 = (150,000 + 22,500)
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