Parking and Transportation Demand Management Report

Developed by:
the City Council Parking Master Plan Subcommittee
(Mayor Whalen and Mayor Pro Tem Kempf)

With support from:

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Transmittal Letter (from subcommittee)

For decades, one of the most commonly asked questions in Laguna Beach has been, "Where can I find parking?" Unfortunately, it has also been decades since the City last added any significant public parking with the construction of the Glenneyre Street parking garage in the mid-1980s. With this backdrop in mind, in early 2022 then Mayor Sue Kempf proposed a Parking Subcommittee with herself and then Mayor Pro Tem Whalen as members. Since then, along with key staff members and an expert traffic consultant, Fehr and Peers, the Subcommittee has met numerous times to analyze the parking issue and develop a series of recommendations included in the attached report (the "Report").

The parking issue in the City is complex due to a variety of factors including seasonal fluctuations in demand, a lack of available land, historic development patterns in the City, and Coastal Commission prohibitions on neighborhood parking programs. Given this complexity, there is no single or perfect solution to the parking situation. However, there are two key outcomes that the Subcommittee seeks to achieve with the recommendations: (1) to reduce the impact of visitor and employee parking in residential neighborhoods and improve the quality of life for residents; and (2) to enhance mobility in the City's commercial areas during peak periods to benefit both residents and visitors.

To achieve the desired outcomes, the Report recommends a three-prong strategy: (1) enhance the public parking supply utilizing various techniques; (2) employ additional transportation demand management strategies; and (3) update the City's parking regulations. Recognizing that efforts to improve the parking situation will be a multi-year effort, the Report breaks the recommendations in each category into short-term and medium-term improvements. This approach has been quite beneficial in implementing the recommendations in the City's 2019 Wildfire Mitigation and Fire Safety Report, and the Subcommittee believes that a similar approach will work well when implementing the recommendations in this Report.

A comprehensive approach to address the parking challenges in the City has been too long in coming, and now is the time to start on the path to implementing solutions. To that end the Subcommittee urges the City Council to: (1) solicit public input on the final Report; (2) move forward expeditiously on those recommendations that the Council supports; and (3) direct the Subcommittee and staff to continue work on an implementation plan for future approval by the Council.

The Subcommittee wishes to thank the City staff members listed on the cover of this Report and the City's outside consultant, Fehr and Peers, for their excellent work, guidance and input in formulating the Report. They have put hundreds of hours into collecting and analyzing data, debating the best approaches for the City to take to address the parking issue and developing the final recommendations which the Subcommittee believes are worth pursuing in the short and medium term.

Sincerely,

Bob Whalen

Mayor

Sue Kempf

Mayor Pro Tem

1. Purpose

Objective/Mission Statement

The City of Laguna Beach is a community unlike any other. It is known both regionally and globally as a premier coastal destination. The City's residents enjoy a high quality of life with picturesque beaches, rich culture, a walkable downtown, and access to wilderness parkland and open space. These same qualities and amenities serve as a strong draw to visitors, whose numbers exceed six million per year.

The sheer number of annual visitors, concentrated in large part during the summer months, combined with an older commercial building stock that often lacks on-site parking, has created significant challenges for both residents and businesses. An insufficient number of public parking spaces has caused spillover effects on surrounding neighborhoods due to visitors and employees of local businesses occupying available neighborhood parking. Parking in the neighborhoods by visitors and employees has also negatively impacted the quality of life for residents with increased litter, noise, and public safety issues. An insufficient number of public parking spaces has also adversely impacted some local businesses who lose customers as a result of the parking challenge. Residents frustrated by their parking and driving experiences in the City's commercial areas may be less likely to patronize local restaurants and shops.

The City has done an excellent job of mitigating some of the traffic and parking impacts from visitors by implementing several successful transportation demand management (TDM) strategies such as the free public trolley system, the on-demand neighborhood transit service, ridesharing drop-off areas, and the leasing of private lots for public parking during peak periods. In addition, the Neighborhood Environmental Protection Plan implemented in 2021 provided additional parking enforcement, trash pickup, and police presence in the neighborhoods. Peak-period parking rates are also effectively used to help manage high demand and incentivize use of low- or no-cost peripheral parking lots. While the strategies employed to date have been successful and provided some relief, more needs to be done.

The objective of this Parking and Transportation Demand Management Report is to recommend strategies and actions that will help to further alleviate some of the adverse impacts on mobility in the City's commercial zones and on the quality of life in residential neighborhoods resulting from visitors and employees. Given the number of annual visitors, it is not possible to eliminate all impacts. Nevertheless, the Subcommittee and City staff believe that the recommendations in this report will help improve mobility in the City and the quality of life in residential neighborhoods if they are implemented over time.

This report starts with a Parking Needs Assessment which takes a new approach to evaluating the City's existing parking infrastructure. It utilizes a data-driven approach to quantitatively analyze parking demand within the City's commercial districts and the abutting residential neighborhoods. This approach has enabled City's Parking Consultant, staff, and the Subcommittee to gauge the magnitude of the parking deficiency within several defined areas of the City.

The Parking Needs Assessment serves as the basis for three sets of opportunities: (1) opportunities to increase the City's supply of public parking; (2) opportunities for additional transportation demand management strategies; and (3) opportunities for updates to the City's parking regulations. Finally, this report includes an additional set of opportunities to enhance parking options and mobility that are beyond the scope of this report but could be pursued in the future with direction from the City Council.

How to Use This Report

The report communicates a series of strategies that are recommended after a year of comprehensive study and data collection and analysis, as well as public outreach. These strategies are intended to form a set of recommendations that can be phased based on opportunities, constraints and priorities that may change with the march of time.

2. Background

Existing Public Parking Supply

The City manages nearly 3,500 public parking spaces at various locations throughout the City, including approximately 1,080 spaces in off-street parking lots, 2,000 on-street metered parking spaces, and 410 spaces leased by the City in private parking lots that are made available to the public for free during the summer months to accommodate increased parking demand.

Most of the City's off-street paid parking lots are small surface lots with a capacity between 10 and 30 spaces. There is only one larger, two-level parking structure located on Glenneyre Street (Lot 6), that offers 215 paid parking spaces in the Downtown area, as well as larger surface parking areas located at the Village Entrance. At the Village Entrance there are 191 off-street parking spots available to the public (Lots 10 and 11) as well as one 79-space lot (Lot 12) used for City employee parking weekdays during business hours but available for public parking after 6 p.m. on weekdays and all day on weekends. There is also a 74-space parking garage under the Laguna Beach Community and Susi Q Senior Center; however, this parking lot is intended primarily for use by Susi Q patrons and is only available for paid public parking after 5 p.m. on weekdays and all day on weekends.

Figure 1. Photo of a Downtown parking area (Lot 2).

In addition to the City-managed public parking lots, a number of private property owners in the City offer paid public parking managed by a valet or parking lot attendant outside of regular operating hours in the evenings and on weekends. This helps to maximize the utilization of existing parking capacity at banks,

churches and other local businesses during times when the businesses are closed. Rates and hours for these parking lots are set by property owners; the City currently does not play a role in managing private parking lots. Finally, there is on-street parking capacity in the City's residential neighborhoods.

The City has established parking rates and regulations to meet the needs of specific areas of the City with approval from the Coastal Commission through a Coastal Development Permit. For example, hourly parking rates in Downtown are higher than outside of Downtown, and metered parking in most areas is limited to three hours to incentivize turnover and discourage long-term parking to increase the availability of short-term parking for patrons of Downtown businesses.

Parking rates throughout the City are increased during the summer season (late June through Labor Day) to help manage high demand and incentivize use of low- or no-cost peripheral parking lots and free trolley service in an effort to reduce traffic congestion. Downtown parking enforcement hours are 8 a.m. to 7 p.m. in the non-summer season and 8 a.m. to 9 p.m. during the summer season. The Village Entrance lots offer a flat-rate, all-day parking fee for those looking for longer-term parking. Rates for City-managed paid parking spaces are based on an approved Coastal Development Permit for a five-year citywide public parking rate structure that was implemented starting in 2021.

During the summer and on weekends year-round, the City also offers low- or no-cost peripheral parking at Lot 16 (Act V) and Mission Hospital, with free connecting trolley service throughout the City. In addition, during the summer, the City leases parking at a peripheral lot in Irvine near the Interstate 405/State Route 133 interchange and provides free public parking and a free grant-funded trolley service to summer art festivals and Downtown, helping to reduce traffic congestion on Laguna Canyon Road and within the City itself.

The City also offers a free Laguna Beach Parking app that provides real-time information regarding the availability of parking spaces in each of the City-managed parking lots, as well as the majority of the on-street metered parking spaces in the City. In addition, in 2021, the City installed new parking wayfinding signage that helps the public easily identify City-managed paid parking lots and parking rates and rules in each lot.

Figure 2. Public Parking signage pointing to Lot 20.

Figure 3. Screenshot of Laguna Beach Parking mobile application.

Existing Transportation Demand Management (TDM) Strategies

In 2013, the Laguna Beach City Council adopted the Downtown Specific Plan Area and Laguna Canyon Road Parking Management Plan (PMP). The PMP provides a toolbox of strategies to help the City efficiently manage public parking capacity. The City collects parking data to measure occupancy rates and reports the results to the City Council as part of the annual PMP update. The City Council also adopts an annual PMP to guide parking and transportation programs during the summer months. Since the PMP was adopted, the City has made significant progress in implementing a majority of the TDM strategies outlined in the PMP. The City currently supports several programs that are designed to reduce traffic congestion and make the most efficient use of limited parking capacity, including:

- The provision of peripheral parking lots with 410 additional parking spaces during the summer season, which helps reduce traffic congestion.

- A fare-free citywide trolley with up to 1 million annual boardings (pre-COVID), and approximately 625,000 boardings in 2022, that utilizes alternative-fuel vehicles to provide transportation along Coast Highway and Laguna Canyon Road from all public parking lots, including two free peripheral parking lots, with service year-round, including enhanced service during the summer and on weekends during the non-summer season.

Figure 4. Map of summer Laguna Beach Trolley service stops and public parking lots.

- A free parking app providing real-time parking availability to motorists and mobile payment options, which helps to improve traffic circulation and reduce congestion.
- Updated parking wayfinding signage with a consistent logo and numbering system that makes it easier for visitors to find public parking lots located throughout the City.
- A free trolley tracker app that provides up-to-the-minute updates on trolley arrival and departure times, as well as maps and service alerts.
- Robust marketing and education programs to encourage the use of alternative transportation, including City trolleys, OCTA bus routes, carpooling and rideshare services.
- Reverting to lower hourly parking rates during non-summer months and only increasing parking rates during the summer months to manage parking occupancy with the goal of achieving no more than 85-percent occupancy during peak times.

- A tiered parking rate structure designed to provide paid parking at various price points, including free or reduced priced parking in peripheral lots with connectivity to free citywide trolley services.
- Electric vehicle charging stations in three City parking lots, with no parking fee while charging.
- Static event-based signage during the summer festival season.
- A free on-demand microtransit service between the City's residential neighborhoods and commercial areas of the City that allows residents to visit local activity centers without having to drive and park.
- Replacement of coin-operated parking meters with "smart meters" that also accept credit cards and provide better analytical data, and pilot program for multi-space pay stations.
- Approval of a Coastal Development Permit for a five-year citywide parking rate structure with peak prices charged during the summer season, when demand is highest.

These TDM strategies are an important component of the City's overall parking plan, as they help to maximize the efficiency of a limited public parking supply while encouraging the use of larger peripheral parking lots and transit service to reduce the number of vehicles traveling and parking throughout the City.

Challenges and Issues

Laguna Beach's unique development history and special location have set the City on a distinctive path. Part of the City's charm is that it was able to take shape without a master plan, the invisible hand that in some communities creates a uniform look, feel, and layout. Laguna Beach has reaped benefits from its organic development, but this has also created parking and mobility challenges that now must be addressed with a comprehensive plan.

The day-to-day experience of parking has emerged as a defining issue, with many different users competing for parking throughout the day. As discussed below, the strategies recommended in this report were developed in response to a number of pre-existing challenges that constrain the City's ability to address the high demand for parking. These challenges include: (1) traffic and parking impacts on roads and neighborhoods due to insufficient available parking in commercial districts and to accommodate beach visitors; (2) navigational challenges that make it difficult for the City to direct visitor traffic to available public parking; (3) a predominance of decentralized parking facilities that usually only serve the on-site businesses and as a result are utilized with suboptimal efficiency; (4) small-scale development patterns that are not always conducive to supporting a meaningful amount of off-street parking on individual properties; (5) a scarcity of developable land with which to enhance the public parking supply; and (6) added traffic congestion and adverse air quality impacts caused by vehicles engaged in excessive "hunting" for available parking.

While these challenges are wide-ranging, they are not insurmountable. They also reinforce the individualized approach needed for an effective solution for Laguna Beach. Each of these challenges is discussed in further detail below.

Impacts on roads and neighborhoods

As parking becomes difficult to find due to a lack of availability, congestion increases in the commercial districts and leads to spillover effects in the residential neighborhoods. As described in Chapter 3 of this report (Parking Needs Assessment), data collection performed for this report found areas of high parking utilization with associated impacts on nearby residential neighborhoods. The data demonstrates that commercial areas with a high demand for on-street parking are generally correlated with high parking occupancy on nearby residential streets. This trend also carried over to areas with little commercial development but proximate to the beach, with residential neighborhoods within close walking distance to one or more beaches generally experiencing high levels of parking occupancy during peak hours. These spillover effects often lead to a lack of available parking in residential areas for residents and guests. When visitors and employees park in a residential setting, the increased activity levels can also raise quality of life concerns (noise, litter, and other nuisances).

Lack of convenience and inefficiency

Most of the available public parking in Laguna Beach is decentralized; namely, spread across many sites and most often in small quantities, which results in a lack of convenience and limits the efficiencies that

come with shared use. Except for the Downtown, much of the City's existing commercial parking supply is not shared or is shared among only a few users occupying a given property. This decentralization can result in parking being hard to find because a motorist may not know where to look, or the supply is not located where it is needed. This factor adds to the pressures placed on the residential neighborhoods near commercial and beach destinations. When a greater number of users can access a parking area, use of that resource becomes more efficient and can take advantage of varying peak hours of demand. These users can be a mix of different businesses, beach visitors, and residents visiting that area of the City. Planning parking facilities around the complementary schedules of different users also avoids wasteful overbuilding, which as discussed further below is of particular importance in a built-out community with limited land availability.

Figure 5. Photo of a Village Entrance parking area (Lot 11). Locating available parking near a destination can be challenging, and the most accessible and visible parking areas tend to reach capacity quickly and remain at near-full occupancy throughout the peak period. Once these areas are effectively full, available parking may be scattered and difficult to locate.

Historical pattern of development

Due to the age of the City's commercial development, many commercial properties are considered parking-deficient by current standards, including sites occupied by land uses that the City typically views as low intensity (e.g., single-story retail/office buildings). These buildings often pre-date the City's parking requirements, resulting in development that often occupies a majority of the lot. On-site parking requires significant land area and comes at a high cost that can be difficult to balance with the small lot and small-scale development patterns that the City attempts to preserve; the City's commercial properties are unlike those found in several nearby communities, which often cluster stores on large, strip mall sites with ample surface parking. The City's historical development pattern, while human-scale and pedestrian-oriented, is now perhaps the most significant barrier to providing adequate on-site commercial parking.

Figure 6. Aliso Creek Plaza. Strip mall-style development that is typical in several of our surrounding cities but is not right-sized for Laguna Beach.

Figure 7. Peppertree Lane. The median lot size in the C-1, Local Business District (north and South of Downtown) is 5,300 square feet, slightly larger than the Peppertree Lane property and approximately 1.5% of the Aliso Creek Plaza land area.

Peppertree Lane is one example of a high-quality mixed-use building that provides a rich pedestrian experience valued by residents, which was able to develop with a central open-air courtyard and no on-site parking. However, it also demonstrates the City's parking challenges. As a median-sized property in

the C-1 Zone, half of the C-1 properties (93 of 186 lots) are smaller than the example pictured. These properties have limited space to create parking, resulting in little or no on-site parking. However, many of these older buildings do a good job of embodying the village character that the City would like to perpetuate into the future.

Land availability

As a built-out community, there are limited available properties, both public and private, for new parking infrastructure. The City has an older commercial building stock, and in some cases property owners will make the financial decision to reinvest by pursuing a development project. However, the development of these commercial properties – and ability to provide more parking – is often constrained by several factors including small lot sizes, viewshed protections, a need to design buildings that are compatible with abutting residential structures, and – for those properties that are located along a highway – access constraints. Similarly, a lack of available land creates a more challenging environment for the City to pursue parking infrastructure projects. Each site will have its own unique cost-benefit analysis based on the potential yield of parking spaces while also considering proximity to destinations and many of the same factors that also influence commercial development.

Figure 8. 300-block of North Coast Highway. A lack of vacant, developable property, small lot sizes, and proximity to residential uses are typical constraints in the City which will complicate the siting of new parking facilities.

Environmental impacts

One of the City's objectives is to minimize the environmental impacts from transportation-related activities. This is a complicated issue due to Laguna Beach's unique characteristics. Its location (ocean on one side and mountains on the other) creates some degree of isolation, and along with moderate employment densities, has resulted in limited OCTA transit services. With OCTA's overall challenge of declining ridership and limited funding, it is unlikely that OCTA will increase service to Laguna Beach anytime soon. The City's efforts to provide more internal transit services (trolley and on-demand services) have taken many auto trips off the road. Moving forward, parking strategies can minimize environmental impacts by capturing trips on the perimeter of the City and a "park once" approach.

Figure 9. Laguna Beach Transit trolley.

Why a Parking and Transportation Demand Management Report?

To address the challenges and issues outlined above, the City has prioritized a detailed and focused study of parking issues along the commercial highway corridor and Downtown, as well as the abutting residential neighborhoods. The primary goal of this report is to make parking and mobility more convenient for both residents and visitors and to reduce the impact that overflow parking has on residential neighborhoods. A system-wide study of current parking conditions, regulations, and transportation demand management strategies will help guide short- and long-term City actions. The comprehensive approach included in this report provides the macro-level understanding needed to address issues on a large geographic scale and produce a range of strategies that work together for greater effectiveness.

A recent citywide survey[1] found that a majority of residents and businesses believe existing public parking facilities to be insufficient but support a master-planning effort to enhance the parking supply, including the construction of new facilities.

A. Resident survey:

1. 78% support the development of a master plan of parking to provide additional parking throughout town.
2. 74% support the development of a master plan of parking for the City to build new parking facilities.
3. Only 22% rated the ease of public parking as excellent or good.

B. Business survey:

1. 85% support the development of a master plan of parking for the City to provide additional parking throughout town.
2. 78% support the development of a master plan of parking for the City to building new parking facilities.
3. Only 23% rated the amount of public parking in commercial areas as excellent or good.

Public Participation

A public participation process was used to understand local concerns and opportunities, including resident challenges, and identify issues to be addressed in a Parking and Transportation Demand Management Report. Two public meetings were held during the early phases of the project in March and September of 2022, and a third meeting was held in May of 2023 prior to the presentation of this final report to the City Council. Summaries of the public comments are included in the report appendices, with key takeaways identified below.

[1] The citywide residential and business survey administered by Polco/National Research Center was distributed from November, 2021 through January, 2022. The goal of both surveys was to measure quality of life, satisfaction with City services, and to understand community priorities from both the resident and business perspectives.

March 2022 Listening Session

Residents and businesses were invited to a listening session on March 8, 2022. Following a brief presentation summarizing a few of the existing challenges and issues, attendees were invited to share their experiences and give input on parking solutions to help formulate the framework of the Parking and Transportation Demand Management Report.

Key Takeaways:

- Participants expressed support for new parking infrastructure, but they also wanted to see more efficient use of what we already have. Examples include providing valet services at existing parking lots and expanding public-private partnerships to make more private commercial lots available to the general public as paid parking.
- Improved methods to direct visitors to available parking were identified as a need.
- Residents shared stories about how they have been impacted by employees, visitors, and others competing for a limited public parking supply in their neighborhoods.

More detailed notes from this meeting are included in Appendix A.

September 2022 Public Meeting

Following the listening session, the City retained transportation consulting firm Fehr & Peers for their technical assistance and subject-matter expertise to oversee data collection and develop recommendations in response. A second public meeting was held on September 27, 2022. Fehr & Peers introduced the audience to the findings of their parking needs assessment and the first draft recommendations to help alleviate the parking impacts, after which attendees were encouraged to share their comments.

Key Takeaways:

- Attendees generally believed that the parking survey reflected their personal experiences, with insufficient on-street parking available to meet demand in some residential areas near the coast. Some attendees opined that the problem may be worse than the point-in-time survey suggested.
- A revamped in-lieu parking program was identified as a potential opportunity to better distribute costs between residents and businesses, with in-lieu fees that could be triggered when commercial properties are improved or developed.
- Several of the ideas offered by attendees were framed as changes that the City should consider in order to address the impacts from businesses in a fair way, with those uses contributing to solutions. For example, some attendees recommended higher in-lieu parking fees or wanted to see more parking provided on commercial properties as those sites are intensified or redeveloped.
- The public comments reflected a diversity of viewpoints. Some speakers wanted to see more parking provided on commercial properties, while others emphasized the need for more public parking. One speaker noted that the restaurants and bars contribute to a great, walkable district, but each new restaurant that opens contributes to the parking problem.

More detailed notes from this meeting are included in Appendix B.

May 2023 Public Meeting

Meeting summary coming soon.

More detailed notes from this meeting are included in Appendix C [coming soon].

3. Parking Needs Assessment

Every driver has a different need for parking (when, where, how long, etc.), which also varies from day-to-day. As it isn't practical to represent each of these needs individually, we can only examine the aggregate result of individual behaviors. In determining what data to collect, this study of parking needs first looked at the data and purpose of prior, recent studies in the City and the raw data available from the *Frogparking* parking occupancy sensors that cover most city-controlled public parking facilities.

Travel Patterns

As a first point of understanding, this study sought to identify the direction and distance of trips going to and from Laguna Beach. To do this, data was purchased from *StreetLight*, a company that aggregates cell phone and GPS data to understand travel patterns. Data was purchased for July 2019 (pre-pandemic), with a separation between weekdays and weekends, for all trips coming in and out of Laguna Beach. This is a robust data set, with thousands of records each day.

The following graphic shows the likely direction from which trips leave and enter Laguna Beach. This was assessed by reviewing the zip code for the trip end outside of Laguna Beach. The pattern was not significantly different between the weekday and weekend and shows that the highest travel demand is from the east, which likely involves vehicle trips through Laguna Canyon Road. The second-highest direction was the north, which would naturally involve North Coast Highway as a primary route.

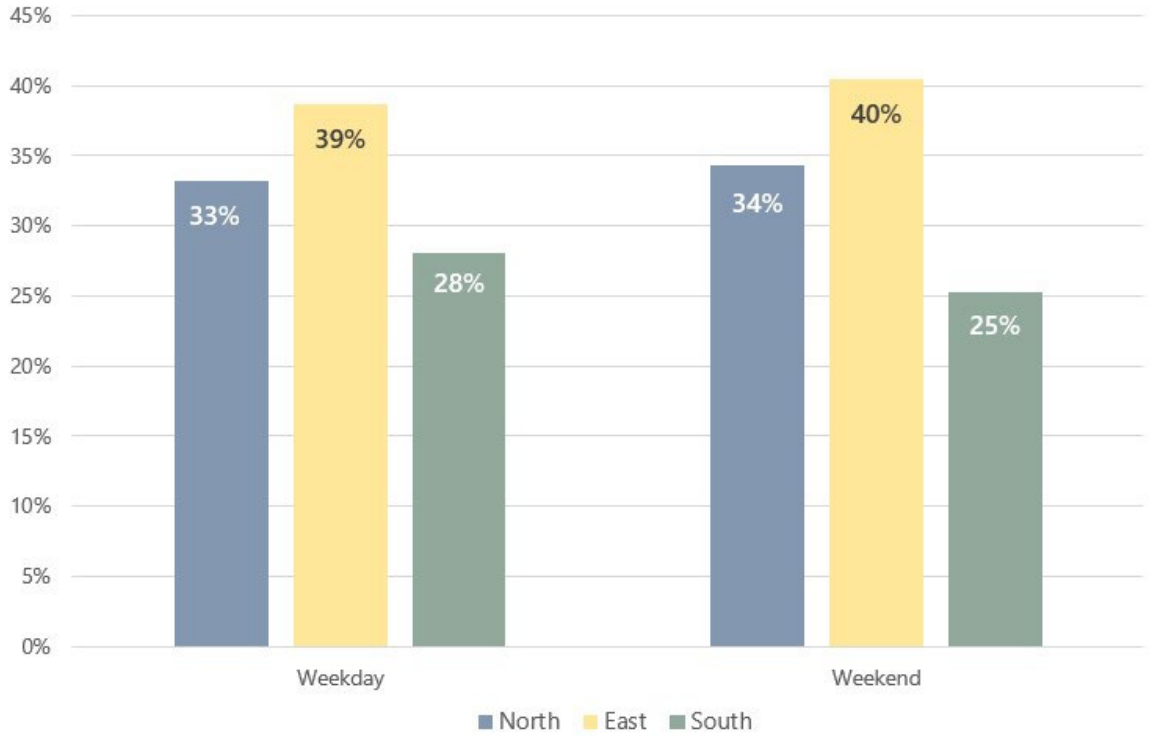

Figure 10. Inbound trips to Laguna Beach on typical weekday and weekend in July.

The next characteristic to understand is the origin and destination of trips with one end in Laguna Beach (and the other end beyond City limits). For this purpose, the City was divided into four areas (Downtown, HIP, north, and south), with the results shown in the following figure. There was a modest difference in the pattern between weekday and weekend, but the Downtown was the largest source on both days (approximately 15% greater than the second most popular origin and destination), and the south was the smallest.

DISTRICT	WEEKDAY	WEEKEND
Downtown	42.4%	39.0%
HIP	25.0%	26.4%
North	19.1%	20.6%
South	13.6%	14.0%

Figure 11. Inbound trip destinations within Laguna Beach.

The final characteristic drawn from the *StreetLight* data was the distance of trips, shown below. The data can help target alternative mode options that are suitable for the trip length. The trip lengths were slightly longer on the weekend, with slightly more than 50% being 10 miles or less in both cases. Approximately 15-20% of trips exceeded 20 miles in length.

MILES	WEEKDAY	WEEKEND
0-5	27.7%	23.2%
5-10	35.4%	34.6%
10-20	21.1%	21.1%
20-80	15.8%	21.1%

Figure 12. Distance of trips in July (centered at Broadway/North Coast Highway).

Based on the travel data described above, the study team concluded the following:

- All three major gateways to the City (Laguna Canyon Rd., North Coast Hwy., and South Coast Hwy.) represent opportunities to capture trips in parking facilities at the perimeter of the City.
- The Downtown and HIP Districts represent a majority of the travel activity, and therefore those areas should be areas of emphasis for shuttle services, new parking infrastructure, and other strategies identified in this report.
- A majority of trips are 10 miles or less, which favors ridesharing (Uber/Lyft), if patrons can move around effectively once they are dropped-off.
- The pattern of summer trips is not appreciably different between weekdays and weekends, which suggests travel services (like the trolley) should be consistent throughout the week.

Data Collection

The study locations were selected to cover the areas of the City that experience the greatest demand for parking. To help understand the more localized needs, the study area was divided into six sub-areas. Those sub-areas are illustrated in the following graphic. Maps for each sub-area area are also provided in Appendix C. The data was further disaggregated by block (for on-street) and by facility (for off-street).

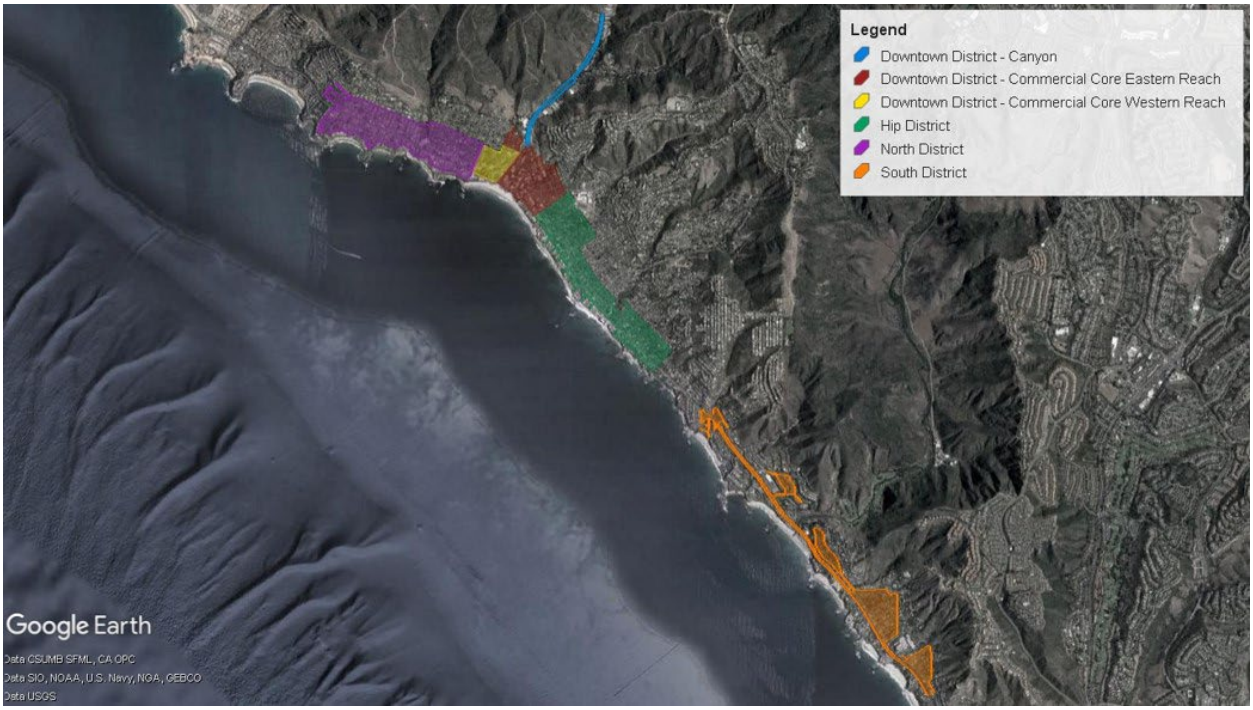

Figure 13. Study Sub-areas.

Within the study area, the team did not have access to collect data at every private lot. However, they were able to collect it for most locations, totaling 2,341 spaces. For those spaces, the data revealed that for the sum of all districts, the peak utilization was 49% on the weekday and 61% on the weekend. Usage of the private lots in the North, South, and HIP Districts peaked between 55-59%. The peak was 90% for the Downtown East District and 92% for the Downtown Canyon District. The team did not have access to any private lots in the Downtown West District.

For purposes of the discussion below, "publicly-available" is defined as all off-street public parking lots, together with all on-street parking (this excludes private lots that may be available for public use during some periods). This definition excludes off-street lots that are privately controlled for use by specific groups (e.g., private lots primarily used by the on-site businesses for their customers and employees).

Parking occupancy data was collected on Thursday, July 21 and Saturday, July 23, 2022 from 2:00 p.m. to 8:00 p.m. For City-managed metered parking (on- and off-street) the data was collected through parking occupancy sensors via software provided by a third party. For the non-metered locations, counts were conducted manually. This data was then compiled into 2-hour increments (2:00-4:00, 4:00-6:00, 6:00-8:00) to identify the period with the highest utilization. The peak usage was generally higher on Saturday, and the peak time on Saturday was 2:00-4:00 p.m. For the North District and South District, while the Downtown Canyon District and Downtown Core West District peaked between 4:00-6:00 p.m., and the HIP District and Downtown Core East District peaked from 6:00-8:00 p.m. The variation across the entire study area (sum of all districts) varied by less than 7% between 2:00-8:00 p.m.

The results for the highest 2-hour period on the weekend, by block and by parking lot, are shown in Figures 12 through 19 below. These images illustrate that much of the curb space and off-street lots are heavily utilized, including the curbside parking within the residential neighborhoods in close proximity to commercial and coastal areas. The on-street parking demand in non-residential areas is high across all districts (70% or greater), with four districts above 80% and two districts over 90%. Many of the public lots are effectively full (85% or higher). In combining the publicly-available sources, all districts exceed 70% occupancy, with all but one at 76% or higher.

The following are some district-specific observations based upon the weekend data:

- **Canyon District:** Parking utilization is very high on Laguna Canyon Road (greater than 85%) and high (71% or higher) for the two off-street lots at the west end of the district and the lot on the east end.
- **Downtown-East District**: With a few exceptions, the on-street parking utilization in this district exceeds 70%, with a majority of streets over 85%. Most of the residential streets show high levels of utilization, with many streets over 85%. Most of the off-street parking lots exceed 71% utilization. *Note: the data for Third Street comes from electronic parking occupancy sensors, and based on observations, staff believes a hardware issue may have caused the system to show more availability than in reality.*
- **Downtown-West District:** Most all of these streets show very high utilization (over 85%) and most are residential in nature.
- **HIP District:** This district experiences a range of parking utilization with higher (over 85%) clusters near the high school, along Catalina Street, and adjacent to the beach on the south end.
- **North District:** Utilization along North Coast Highway is consistently very high (over 85%), along with many of the streets that connect to it. Only a few streets, on the north end, show less than 50% utilization.
- **South District:** A majority of the streets experience high (71% or greater) levels of utilization, particularly along or immediately adjacent to South Coast Highway.

The measured level of demand for on-street spaces in the non-residential areas, along with many off-street lots being near or above capacity, suggests that users are having difficulty finding spaces and are often "circling" to find spaces. The associated frustration impacts visitors, residents, and employees, and can suppress economic activity and negatively impact air quality.

The data collected for this report, along with the field observations of City staff and the consultants validates the following conclusions:

- Parking demand for the commercial areas and beach-related demand is spilling over to residential streets.
- Patrons of local businesses, including residents, have difficulty finding parking in key areas.
- Drivers are having difficulty finding spaces and are often "circling" to find spaces, which contributes to congestion and environmental impacts.

- Frustrations over parking availability for visitors, residents, and employees are likely suppressing economic activity and impacting residents' quality of life, to some degree.

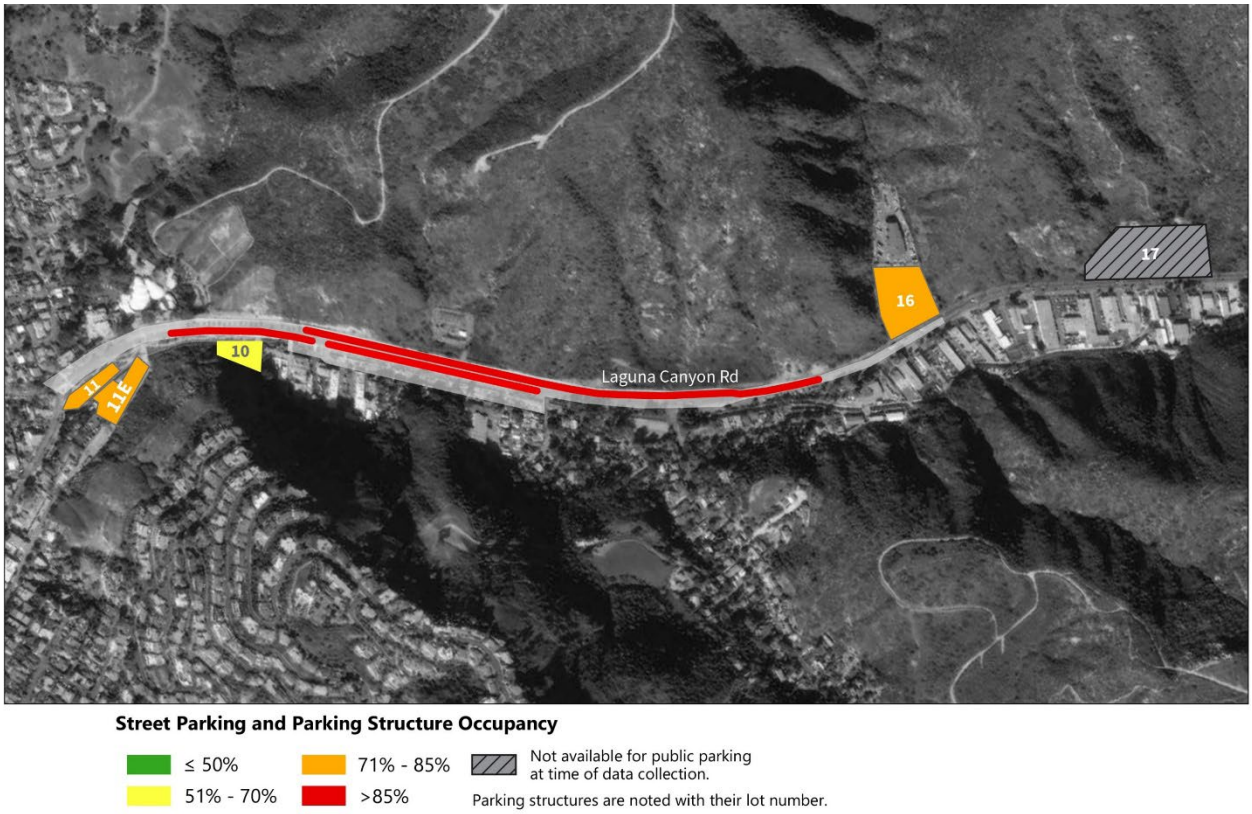

Figure 14. Canyon District (Peak Period on Weekend) Street Parking and Parking Structure Occupancy.

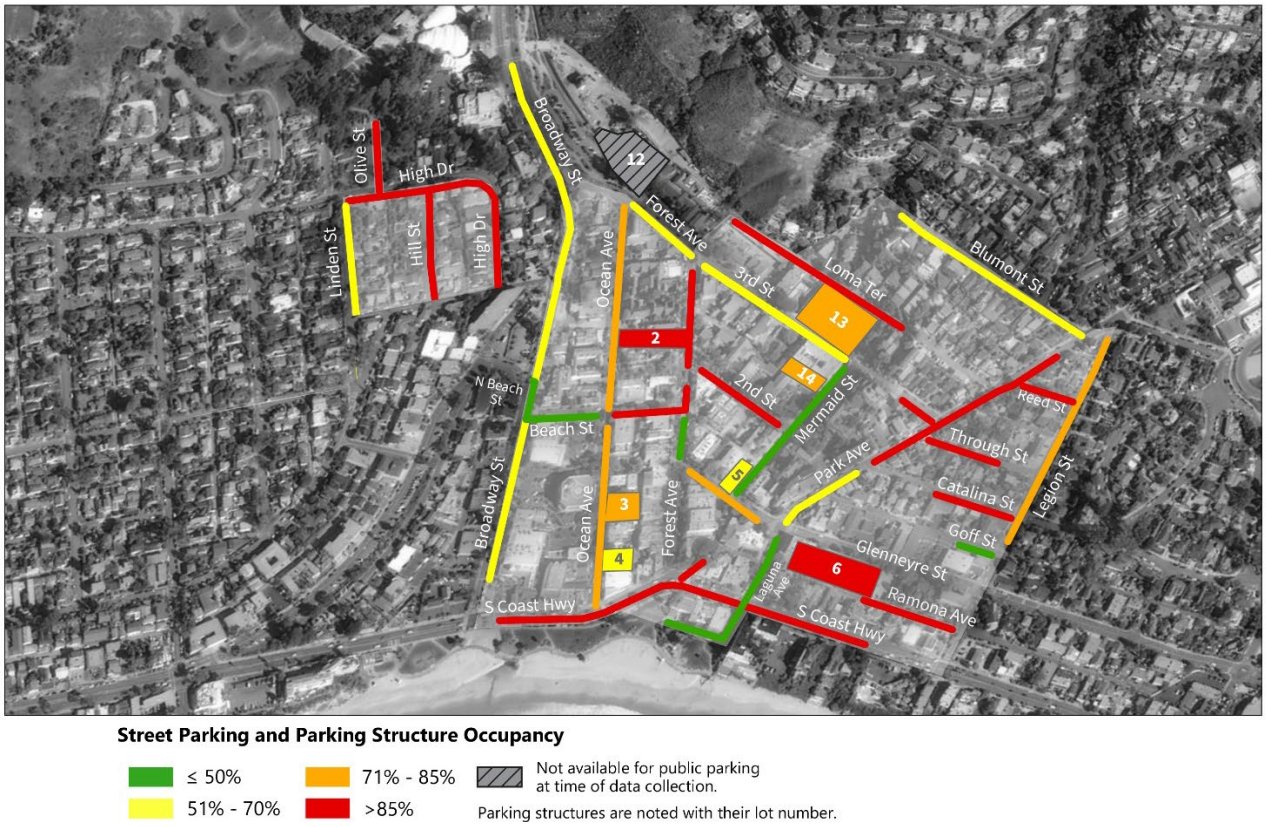

Figure 15. Downtown East (Peak Period on Weekend) Street Parking and Parking Structure Occupancy.

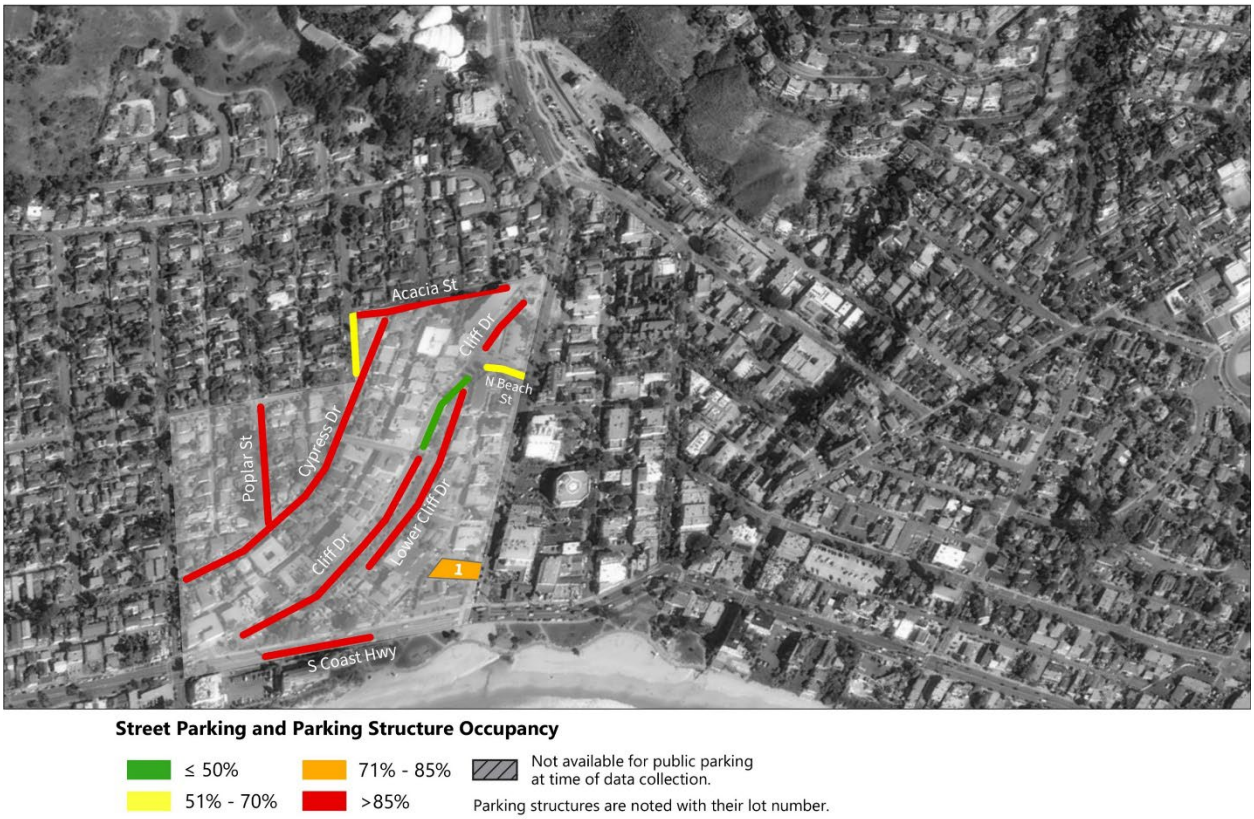

Figure 16. Downtown West (Peak Period on Weekend) Street Parking and Parking Structure Occupancy.

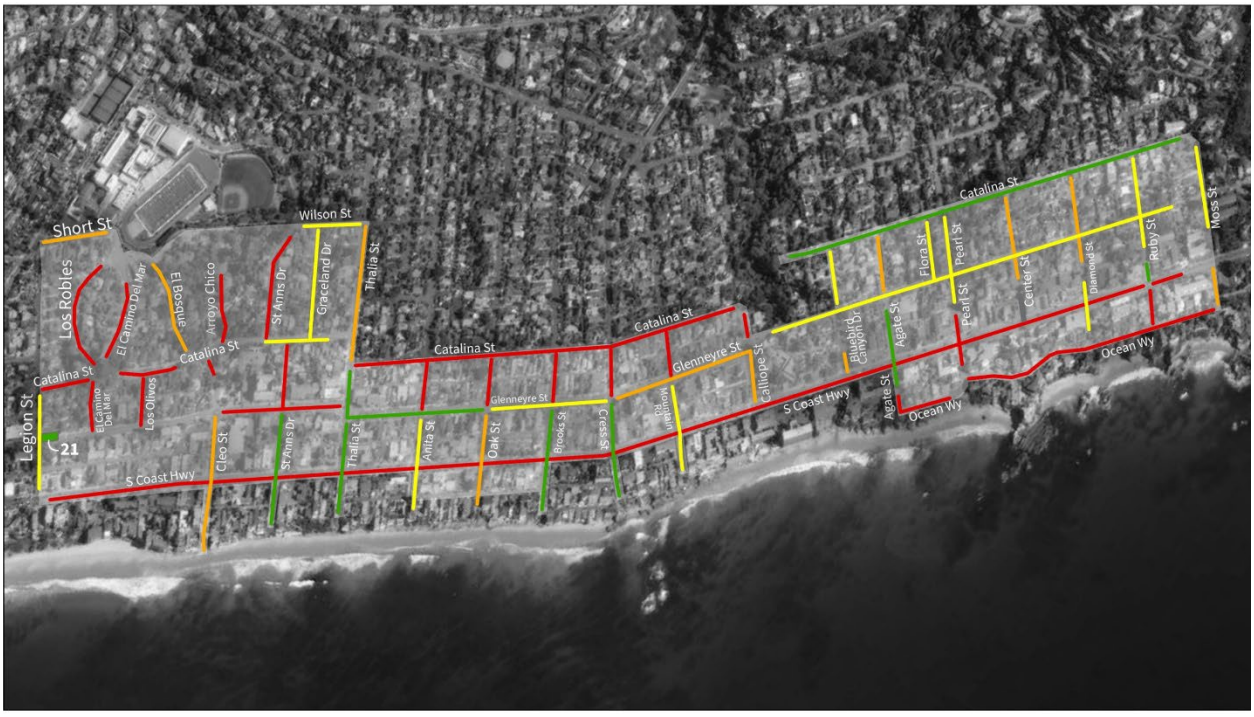

Figure 17. HIP District (Peak Period on Weekend) Street Parking and Parking Structure Occupancy.

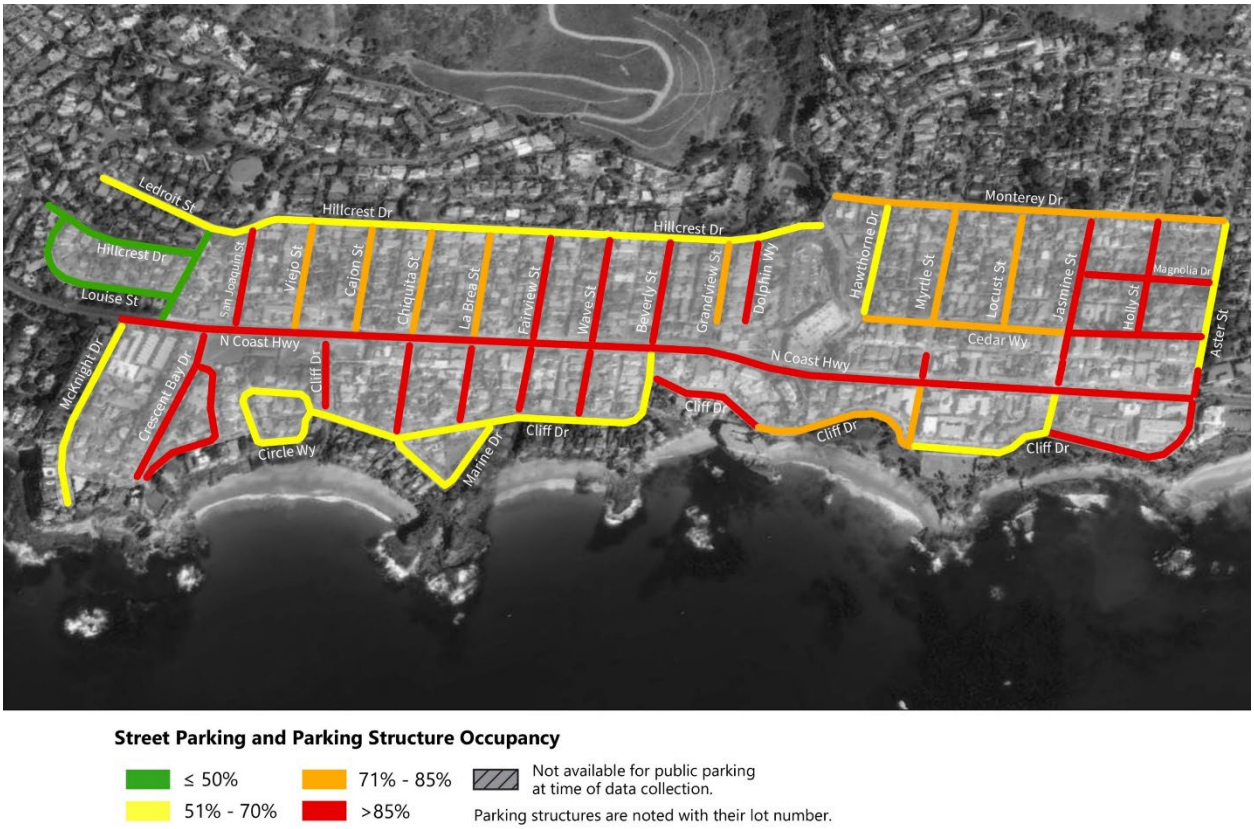

Figure 18. North District (Peak Period on Weekend) Street Parking and Parking Structure Occupancy.

Figure 19. South District Area 1 (Peak Period on Weekend) Street Parking and Parking Structure Occupancy.

Figure 20. South District Area 2 (Peak Period on Weekend) Street Parking and Parking Structure Occupancy.

Figure 21. South District Area 3 (Peak Period on Weekend) Street Parking and Parking Structure Occupancy.

4. Benefits of City-Managed Public Parking

Parking is an essential amenity in a commercial district. This infrastructure is also important to get "right" in terms of the design execution. City-managed public parking that can be shared among a broad cross-section of users is the preferred approach for several reasons, and as explained below would have benefits to urban design, the transportation network, residents, and economic development.

Benefits to Urban Design

Consolidated parking facilities that are shared by the general public can circumvent the design challenges associated with a decentralized approach to parking, where commercial properties are expected to meet their individual parking needs on-site. When parking lots or structures are decentralized, they can create gaps or "missing teeth" along the commercial corridor, introducing dead zones in the pedestrian experience by competing with storefronts for critical space adjacent to the sidewalk. They may also stifle street life, as everyone will park immediately adjacent to their destination and have no reason to use the sidewalk. As discussed in the background section of this report (Challenges and Issues – Historical pattern of development), the positive legacy of the City's commercial building stock can be partially attributed to the City's generally dense commercial development patterns, which frequently features limited to no visible parking separating the pedestrian from the building.

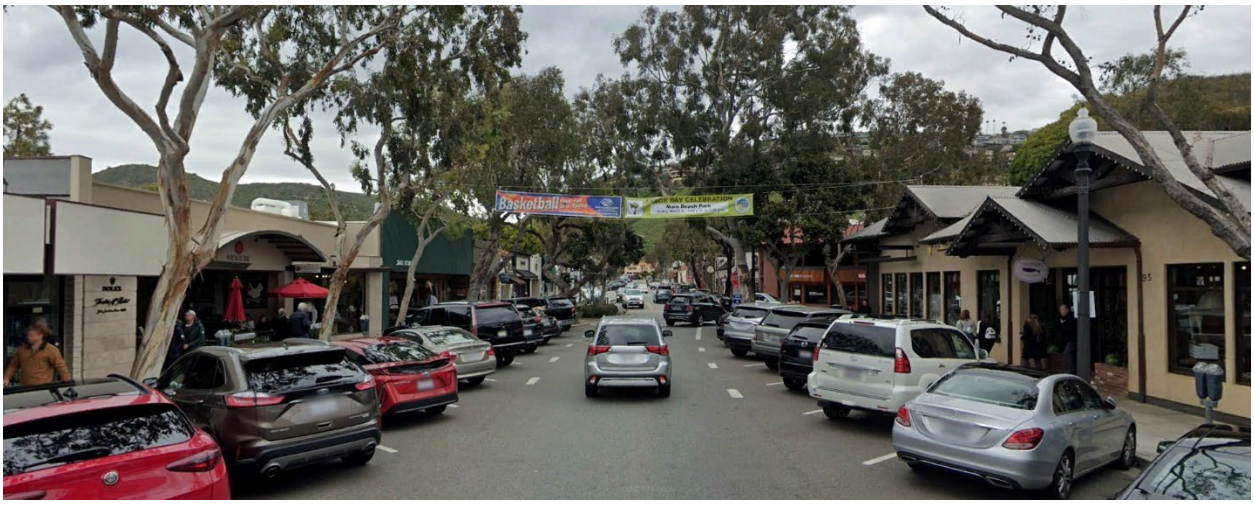

Figure 22. Lower Forest Avenue. An absence of visible parking lots and driveways strengthens the relationship between building and street, allowing features of greater pedestrian interest to dominate the streetscape. On Lower Forest, storefront windows and other forms of architectural engagement encourage passersby to linger and window-shop. This block is the crown jewel of the

City's commercial areas and serves as a local reference point for potential design outcomes when off-street parking can be concealed from the street.

As the City plans for the future, it is likely that small commercial lots will find it challenging to develop or even invest in modest improvements if it requires providing more on-site parking, and that projects that are required to provide a substantial amount of on-site parking relative to the size of the lot will ask the City to allow larger-scale development to compensate. The positive legacy of the City's commercial development (small in scale with a village atmosphere) can be retained and carried into the future as properties are remodeled and developed, but it will be heavily reliant on context-sensitive parking solutions. Although not every street can be transformed into Lower Forest, positive urban design can be achieved in other commercial areas when space-efficient, multi-level parking structures can meet some of the parking demand. Such structures can be designed to be responsive to the scale of nearby development and can be visually complementary to surrounding commercial buildings.

Figure 23. 384 Forest Avenue. The Lumberyard Mall fosters a lively, pedestrian-friendly environment along Forest Avenue, with engaging storefronts and a sidewalk-adjacent courtyard. However, the building seems to "turn its back" along Ocean Avenue, with a tuck-under parking design that creates a disconnect between the building and the street. These types of design concessions are typical when commercial properties must plan for both pedestrians and vehicles.

Benefits to the Transportation Network

City-managed public parking facilities can provide the convenience and parking availability needed to reduce the number of vehicles caught in the "spin cycle," circling an area for available parking and adding to traffic congestion. To encourage park-once behaviors, public parking infrastructure should be paired

with public transit stops and other modes of transportation or placed within walking distance proximity to a variety of destinations.

Benefits to Residents

Centralized parking creates more incentive for visitors to pay for parking as a convenience, rather than park for free in a residential area further away from their destination. We can reasonably predict that individuals are often willing to pay for this amenity based on the high occupancy trends at the Glenneyre Street parking structure and other public parking facilities. When a large percentage of the parking within a commercial district is privatized and used by the on-site businesses only, parking may be underutilized and prevent access to visitors and others. More centralized parking will also allow the City to work with local businesses to implement plans requiring employees to use the parking facilities rather than parking in the neighborhoods.

Additionally, allowing businesses to satisfy parking requirements with a contribution to the cost of centralized public parking locations, rather than through expensive or impractical on-site parking, may encourage uses that would meet a market demand and be desirable to residents – such as a neighborhood-scale café within walking distance of a single-family-zoned area.

Benefits to Economic Development

Laguna Beach has an older commercial building stock in need of renovation and upgrading in many locations. Convenient parking and a more adequate public parking supply will provide incentives to businesses to invest in needed renovations and upgrades. Given the benefits of public parking to commercial property owners and businesses, funding mechanisms that require financial contributions from the business community are recommended and should be developed.

5. Opportunities – Introduction

As stated at the outset of this report, the primary objective of this report is to provide recommendations to (1) reduce the impact of visitor and employee parking in residential neighborhoods and improve the quality of life for residents; and (2) enhance mobility in the City's commercial areas during peak periods to benefit both residents and visitors.

The Subcommittee believes that these objectives can be best realized by pursuing (1) opportunities to increase the City's supply of public parking; (2) opportunities for additional transportation demand management strategies; and (3) opportunities for updates to the City's parking regulations. If properly implemented, the outcome should be one that promotes a walkable and vibrant city with robust local transit service that reduces the impact of the automobile on daily life.

Modeled after the successful Wildfire Mitigation and Fire Safety Report, this report is intended to provide a roadmap for opportunities that can be pursued immediately as "easy wins" (Short-Term Opportunities), and opportunities that the City should consider thereafter (Medium-Term Opportunities).

The three categories of opportunities are synergistic and should be implemented in parallel. The timelines were largely determined based on ease of implementation, starting with several easy wins to build positive momentum. However, the City Council could also prioritize one or more of the medium-term opportunities as multipliers for achieving the overall goals outlined in this report.

The three categories of opportunities are found in Sections 6, 7 and 8 below and the recommendations for implementation are summarized in Section 10.

6. Potential Parking Infrastructure Opportunities

New parking infrastructure in strategic locations will help achieve the overall objectives of this report. The combination of expanded public parking capacity in strategic locations, along with continued investment in local transit service and active transportation projects, will help to encourage a "park once" mentality that will reduce traffic congestion, improve safety, and enhance the character of the community. Improvements should be focused at anchor locations where they can have the most impact. The Downtown features the greatest number of destinations and can serve as a natural transit hub that provides connections to other destinations in the City.

City staff evaluated the parking occupancy data, presented earlier in this report, and then identified under-utilized properties that might be candidates for additional parking supply. The study team then looked at each of these properties to determine whether they would be more suitable for surface parking or a structure. The factors influencing this opinion include the parcel's size, shape, access options, and height restrictions.

A total of 23 locations were studied, from which the study team found 15 locations (Figure 24) that yielded viable parking concepts within areas shown to have high parking demand relative to the existing publicly available supply. This determination of "viability" is strictly from a physical perspective, with consideration given to the cost relative to spaces gained. It is not a final determination by any means, as more detailed design and study are needed before determining true feasibility. In many cases, the City does not control the property, and therefore the cooperation of the private property owners would be needed.

Figure 24. 15 locations with viable parking infrastructure concepts in areas of high parking demand relative to the existing publicly available supply.

The following two tables summarize the conditions for the 15 promising locations, with the illustrations for these concepts provided in Appendix E. For the 8 remaining sites determined to be less viable, the concepts are provided in Appendix F. The first table below presents the 6 locations that do not involve modifications to, or development of, a parking structure. Therefore, these are both more immediate opportunities and lower cost. The second table summarizes the 9 opportunity sites that involve modifications to, or construction of, a parking structure. All of the dollar amounts in the tables are rough estimates only based on general information available and will need to be refined for any location selected for parking improvements.

*Table 1. Sites **Not** Involving a Parking Structure*

	Location	District	Existing Spaces	Approach	Net Gain in Spaces **	Capital Cost	Restoration Cost	Cost / Space Gained*	Site Annual Lease Cost	Site Annual O&M
A	1400 N Coast Hwy	ND	0	New Paved Lot	68	$514.5	N/A	$7.6	$11	$11
B	1271 N Coast Hwy	ND	0	New Paved Lot	20	$185	N/A	$9.3	$3	$3
C	313 Ocean Ave & 322 Forest Ave	DD-E	37	4-Post Dual Car Lift	37	$216	N/A	$5.8	$0	$19
D	31872 Coast Hwy	SD	545	Existing Parking Structure Lease	125	$0	N/A	$0	$19	$32
E	31872 Coast Hwy	SD	86	Resurface – Restripe Existing Parking	-1	$140	N/A	N/A	$13	$13
F	31822-31834 Coast Hwy	SD	0	New Paved Lot	29	$450	N/A	$10	$0	$5
	TOTAL		668		278					

Costs in $ thousands.

* = Takes the overall total cost to build divided by the number of spaces gained
** = Effective number of spaces could be 10-20% higher with Valet Service.

*Table 2. Sites **With** a Parking Structure*

	Location	District	Existing Spaces	Approach	Net Gain in Spaces **	Capital Cost	Restoration Cost	Cost / Space Gained*	Site Annual Lease Cost	Site Annual O&M
G	600 N Coast Hwy	ND	248	Parking Structure	75	$16,200	N/A	$215.3	$21	$13
H	1900 Laguna Canyon Rd	DD-C	253	3 Level Parking Structure	263	$25,800	N/A	$98.1	$0	$129
I	635 Laguna Canyon Rd	DD-C	126	3 Level Parking Structure	201	$16,400	N/A	$81.3	$0	$82
J	630 Laguna Canyon Rd	DD-C	68	Parking Structure	242	$15,500	N/A	$64	$0	$55
K	355-363 Third St****	DD-E	36	Multi-Level Parking Structure	97	$10,000 to $12,000	N/A	$109 to $130	$106	$33.3
L	501 Glenneyre St	DD-E	214	Partial Parking Deck Addition	37	$1,900	N/A	$50	$0	$63
M	1300 Block Glenneyre St	HD	48	3 Level Parking Structure w/ 10.5K SQ FT Commercial Space	130	$12,600	N/A	$96.7	$49	$45
N	21547 Wesley Dr***	SD	30	Underground Parking Structure	200	$13,500	$2,000	$67.5	$0	$57.5
O	31122 Coast Hwy	SD	115	4 Level Parking Structure	474	$23,700	N/A	$66	$71.5	$90
	TOTAL		1,138		1,719					

Costs in $ thousands.

* = Takes the overall total cost to build divided by the number of spaces gained
** = Effective number of spaces could be 10-20% higher with Valet Service.
*** = It will cost approx. $15-20/SF to re-establish the turf above the parking structure.
**** = Cost estimates are site- and project-specific and reflect preliminary plans tailored to the site.

Districts:

ND - North District
DD-E - Downtown District - Commercial Core Eastern Reach
DD-W - Downtown District - Commercial Core Western Reach
DD-C - Downtown District - Canyon
HD - HIP District
SD - South District

Cost Assumptions:

1) Convert bare ground to surface lot (grade, pave, stripe) = $20/SF
2) Resurface & Re-Stripe = $10/SF
3) Demo Existing - Repave & Re-Stripe = $30/SF
4) Re-stripe existing paved lot = $2/LF
5) Build a structure = $50,000 Per Space
6) 4-Post Dual Car Lift = $12,000 Per Unit
7) Commercial Space = $350/SF

Section 10 below contains recommendations as to how and in what priority certain parking infrastructure projects might be pursued. The Subcommittee recommends that the City Council review the recommendations and provide direction to staff as to which projects should be pursued initially.

Short-term Opportunities

The most attractive near-term opportunities are the smaller, largely unimproved sites that do not involve a parking structure. These seven locations identified in Table above (including one at 313 Ocean Avenue and 322 Forest Avenue identified for a potential lift system) are cost-effective due to the modest improvements needed and would provide almost 300 additional parking spaces, many very close to Coast Highway. The funding section of this report discusses several means for the City to fund the improvements.

Medium-term Opportunities

The remaining 10 locations, that appear to support a viable concept, involve constructing or modifying a parking structure (see Table 2 above). This level of improvement requires substantial capital, which is discussed in the funding section. Moreover, advancing these concepts will involve more significant design efforts, environmental review, and potential agreements/partnerships with private property owners. Given the resources needed to initiate any of these potential projects, the City should narrow the field of potential options without abandoning any of the options should the right partner or opportunity emerge. Identifying the preferred locations could be done at any time. The primary considerations in selecting these locations should be:

- Geographic dispersion, with a preference towards at least one or two locations in the Downtown and one in the HIP District
- A minimum number of spaces gained to justify the effort and expense; a net gain of approximately 100 spaces is a reasonable minimum when constructing new parking structures
- The estimated cost-effectiveness, starting with the preliminary estimates in this report
- Opportunity to promote other City goals related to neighboring properties
- Opportunity for a public/private partnership

Siting recommendations

- Public parking should be carefully located, with an understanding of the important role it plays in a commercial district. Parking lots and structures act as anchors, directing the course of pedestrian traffic. Like in a shopping mall, they should be located at some distance from the other anchors – like a beach – to support patronage of the shops between the parking and the destination. In this way, infrastructure should be organized purposefully, with strategic separation of origins and destinations.
- Mix high-quality transportation infrastructure to create transit hubs where feasible, encouraging "park once" behaviors within walking-distance proximity to a mix of destinations and linkages to public transit and bike lanes.

Generalized design guidance

Parking structures are by necessity designed to the scale of a multi-story building. Careful site and architectural planning will ensure that these facilities are appropriately integrated into the urban fabric of the commercial district. The following design concepts are presented to assist with the early phases of the design process by focusing discussions on project elements key to the overall design execution. Thoughtful consideration of the site-specific factors will then allow the concept to further develop into a functional and well-designed facility.

- **Authenticity:** Parking structure design must appear authentic to the place, with careful consideration of massing and materials. Parking structures should blend into their surrounding environment and not blatantly stand out as utilitarian structures.
- **Design Quality:** Careful architectural detailing can enhance visual interest and reduce a parking structure's perceived mass and scale, but it must be consistent with the chosen architectural style. Architectural detailing can include but is not limited to the use of complementary material finishes and the shape and placement of openings. These details should extend around all sides that are visible to the public.
- **Access and Circulation:** Where feasible, vehicular access should be located and designed to give priority to important pedestrian movement patterns. The impact of entrances and exits to garages located along major pedestrian ways should be reduced by minimizing their size, integrating the opening with the overall architecture, and using amenities such as landscaping and special paving. Technological solutions such as automated parking facilities should be employed if feasible to reduce the need for access ramps and drive aisles, and at some locations subterranean designs may be appropriate.
- **Concealment Where Feasible:** In some circumstances, it may be possible to partially conceal parking infrastructure from abutting streets behind occupied commercial buildings ("lot liners") to maintain a continuous pedestrian experience within a commercial district. In most cases, perimeter landscaping effectively softens the structure's appearance and enhances the pedestrian experience at the adjacent sidewalk.

Figure 25. Glenneyre Street Structure. The traditional use of building materials on this structure located at the periphery of the Downtown is a subtle but welcome reference to the City's historic downtown core, where exposed brick façades and brick paving are common.

7. Opportunities – Transportation Demand Management (TDM) Strategies

Fehr & Peers evaluated the City's current TDM program and considered it "best-in-class" due to its comprehensive nature and context-appropriate choices (see Background for a description of the existing program). The goals of the TDM program are to maximize the efficiency of the existing road and parking resources and to manage travel demand. The free trolley service is a core component and has served as a model for other coastal Orange County cities. Based on an evaluation of the existing strategies and a review of industry best practices, the following additional strategies are recommended to be incorporated as part of an expanded TDM program.

It is recommended that the City Council direct staff to implement the TDM strategies listed in this Section 7 and to return to the City Council as needed for additional approvals needed to implement these strategies.

Short-Term Opportunities

A. Increase parking costs in high-demand areas to encourage use of peripheral lots and free transit service.

The City has already invested in a free public trolley system that can shuttle visitors to and from their parked vehicles, and one of the strategies in the annual Parking Management Plan involves the leasing of peripheral parking lots during the summer season. While these strategies are important to reduce traffic congestion and encourage alternative modes of transportation into the City's core, their effectiveness is curbed when the cost of parking adjacent to the destination is set too low. The City should continue its work with the Coastal Commission to institute a cost that is closer to market rate for convenient parking near key destinations.

B. Explore additional public-private partnership parking options in off-street private lots.

For the private lots that were accessible to counting (2,300 total spaces), the total utilization peaked at 50% on the weekday and 61% on the weekend. This represents an underutilized resource for potential public use. The barriers to more public use include: private lot owners wanting to ensure sufficient parking is available for employees and customers, clarity on when and how many spaces are available for the public, and the cost to provide spaces for public use. As a starting point, the City could develop an outreach program to express its interest in partnering with private lot owners in high-demand areas and

communicate the benefits that would be experienced by the owners. The three strategies that follow (C through E) are intended to address existing limitations preventing greater general public use of private lots.

C. Work with businesses that offer paid parking in private lots to standardize signage and pricing.

Many private lot owners currently offer parking to the general public during set hours on an ad hoc basis, typically for a fee. The City can enhance the public awareness of these decentralized parking facilities by promoting a standardized signage approach that creates a "brand" and provides clear information for wayfinding purposes. To this end, the City can develop a template and offer a cost-sharing approach with businesses to adopt the new signs. Additionally, the City can suggest a pricing structure that compliments the public facilities and update the suggestions as the City's pricing structure evolves. As more private properties become available to the general public, it will be important for passing motorists to be able to easily and quickly identify those lots that are available for public use.

D. Develop a pilot program for a third party to manage public parking in private lots.

Many of the private lots have significant levels of parking available during "off" hours, such as evenings and weekends. However, in many cases, the private lot owner does not have the resources to operate the lot for public use. The City can work with a third-party service to manage and operate these spaces, with the private lot owner receiving a portion of the revenue.

E. Allow the general public to find and reserve parking in private lots in advance using a parking app.

With the cooperation of private lot owners, allow users to reserve (and pay for) a space in a private lot. This could be through a new feature coded to the City's current parking app, or developed as a standalone app. If the feature is successful, the City could expand the reservation system to include a limited number of spaces within City-controlled facilities.

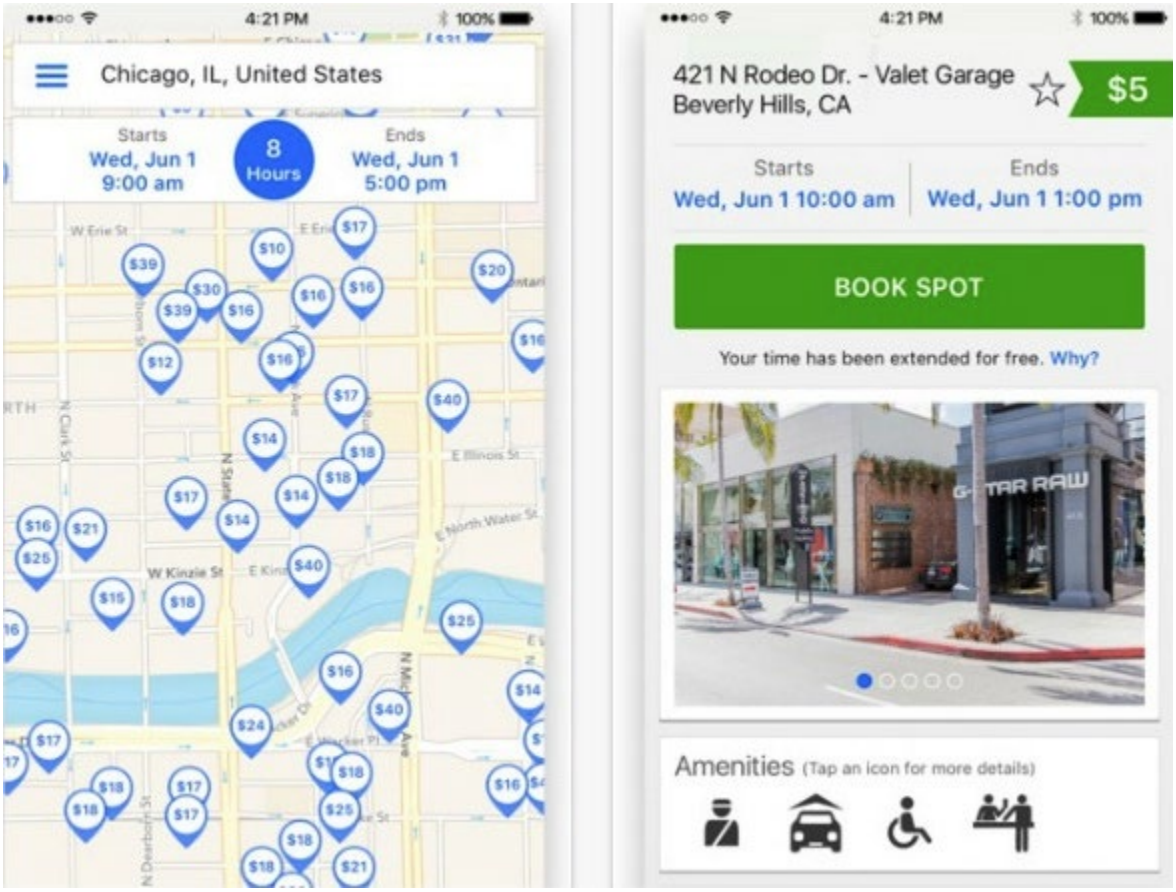

Figure 26. Screenshot of third-party service Spot Hero mobile application.

F. Provide a local circulator service to complement other transportation options.

A local circulator service would include a potential Downtown employee shuttle from peripheral parking lots. The circulator service should be routed to link high-capacity parking supplies and destinations. This strategy could be tested as a summer pilot program and be expanded if a pilot program proves successful.

Source: Center City Anaheim

Figure 27. Local circulator service car.

G. Expand the reach of the City's on-demand microtransit service.

In late 2021, the City piloted an on-demand microtransit service for three neighborhoods, with free point-to-point service via a hybrid-electric minivan. This service has proven successful based on the City's ridership goals for the pilot and the overwhelmingly positive resident feedback. On-demand microtransit

service is also more cost-effective for parts of the City that don't experience significant trolley boardings. The City Council voted to expand the service to additional neighborhoods in North and South Laguna starting in January 2023, and to add service on Sundays. This microtransit service can be expanded further to achieve citywide coverage, and with additional vehicles for improved response time. Enhancements to this service would incentivize greater use and reduce the need for parking in areas of high demand.

H. Adopt a valet approach for significant City-controlled lots.

One of the most cost-effective and least impactful ways to expand parking capacity is via valet service. For the larger, city-controlled lots, the City could utilize valet service (likely in a contract with a vendor). The larger lots are needed to facilitate the necessary space to maneuver vehicles in a valet environment. By parking vehicles in the aisles, the effective capacity can be increased by approximately 20%. One option is to pilot this strategy for one summer season for selected City lots and gauge the success. The characteristics of parking lots that would be most appropriate for valet parking are:

- At least two aisles.
- Aisle widths of 15' or greater.
- No, or limited, physical barriers internal to the parking lot (trees, grade changes).
- Vehicle turnover averages at least 30 minutes.

I. Enhance intentionality regarding curb-space use for deliveries, loading/unloading, pop-ups, etc.

A national trend has emerged to address increasing demands for curb space that stems from increased ridesharing activities, increased parcel deliveries, and more flexible use of the adjacent sidewalk (such as outdoor dining). This competition for curb space also creates a marketplace to monetize its use, which can also be used to moderate demand via pricing. Starting with the Downtown area, the City can:

- Continue the City's practice of designating areas for passenger drop-off/pick-up (including the City trolley), and work with rideshare companies to reinforce the use of these areas (and preclude other areas via geo-fencing).
- Designate parcel delivery and commercial loading areas with a reservation and fee system.
- Identify areas for short-term (10 mins.) consumer pick-up of food and other online retail orders.
- Review policy on the use of sidewalk space and on-street parking stalls for dining and other purposes and how needs for both parking and commercial activity such as dynamic al fresco dining experiences can be balanced.

J. Offer incentives to encourage the use of alternative modes by employees.

The City could adopt a program to either encourage or require employers to participate in subsidizing the cost of transit passes and to provide monetary incentives for carpooling, bicycling, and walking to work. The goal would be to make these modes more attractive by reducing costs. There is an existing IRS program (see www.commuterbenefits.com) that allows employees to use pre-tax dollars ($300/month) for alternative modes. Employers can contribute additional subsidies. Several cities including Berkeley, Seattle,

and Los Angeles have adopted ordinances that require employers with more than a specified number of employees to administer a commuter incentive program.

K. Implement permanent, dynamic wayfinding signs at key locations indicating the number of available spaces.

The Laguna Beach Parking app allows users to see in real time the relative availability of City-controlled parking facilities, both on- and off-street, from their smartphones. A complementary service would be to provide real-time signage that provides drivers with similar information. The messaging would be simplified for viewing while driving and would likely indicate the number of available spaces by direction. The following map (Figure 28) illustrates how such signs can be placed to direct drivers to parking resources.

L. Work with the Laguna Beach Unified School District to Utilize Existing Facilities for Public Parking.

The Laguna Beach Unified School District owns several parking facilities that might be shared during the off-hours to reduce parking impacts on nearby residential streets. The City should engage with the School District to determine interest.

Figure 28. Map illustrating the placement of dynamic wayfinding signs to help direct drivers to parking resources.

M. Identify opportunities for additional off-site employee parking.

Off-site parking is both environmentally friendly (fewer miles driven) and a means to free-up valuable parking areas, particularly in the Downtown. Preferably, the off-site spaces would be near the perimeter of the City and be serviced by the City's trolley or its microtransit service. The City could own or lease unused spaces from private entities. Many employers would find it cost-effective to lease off-site spaces from the City in-lieu of providing parking in higher-cost areas.

N. Update the City's parking permit programs.

The City currently offers a variety of parking permits for City residents and employees, such as the Shopper Permit for Laguna Beach residents. Most of these permit programs have been in place for a decade or more without any substantial changes to their price or validity. Recommended changes are summarized in Section 10, Tables 6 and 7. Recommendations include expanding the validity of the Shopper Permit to new lots, as well as introducing a revised employee parking pass that is valid in additional areas throughout the City.

Medium-Term Opportunities

It is recommended that the City Council direct staff to analyze the strategies listed in this section and to return to the City Council as needed with recommendations to implement these strategies.

O. Investigate the feasibility of using mechanical parking lifts to increase capacity with appropriate aesthetic mitigations.

Mechanical lifts are one of the most cost-effective means to increase parking supply, particularly in areas with high land value and smaller lots. These lifts are typically operated by an attendant who provides valet service and parks/retrieves the vehicle. Both two- and three-story versions may be suitable for Laguna Beach's pattern of development and height restrictions. Most mechanical lifts are open-air, but these can also be constructed in an enclosure, such that the vehicles are visibly shielded. For example, the City of West Hollywood has an automated lift parking system in a building adjacent to City Hall.

Figure 29 and 30. *Left: The City of West Hollywood City Hall has an automated garage system. The mechanical system stores and retrieves vehicles. Photo credit: City of West Hollywood. Right: Double-stack mechanical lift. Photo credit: Park Plus, Inc.*

P. Add sensors to every public parking area (other than unmetered residential).

The City-controlled parking lots and most on-street meters are linked to the Frogparking system, which provides users (via the app) with real-time information regarding parking availability. The system also provides staff with historical data that can be analyzed for trends. The City could expand this system to cover additional on-street parking in non-residential areas and/or along Coast Highway and Laguna Canyon Road.

Q. Pursue a residential parking program.

The City is currently prohibited from implementing any new parking permit programs in residential neighborhoods by the California Coastal Commission due to coastal access concerns. However, it is recommended that the City Council consider directing staff to engage with the Coastal Commission to see what types of measures could be allowed in the neighborhoods if the City is successful in adding public parking in close proximity to the beaches in addition to all other strategies that comprise the Parking and Transportation Demand Management Report.

R. Implement a parking validation system for downtown restaurants and merchants allowing free parking at peripheral lots.

As a complement to increasing the parking rate structure for high-demand parking areas adjacent to the City's major destinations (see short-term TDM opportunity (A) above), the City can create a parking validation system for visitors patronizing downtown businesses. Validated parking would provide free access to the City's peripheral lots. Because the program would work most seamlessly with new gated parking structures that require payment upon exit rather than arrival, this strategy would be paired with new parking facilities. However, technology solutions may allow it to be implemented with existing non-gated parking facilities as well.

8. Opportunities – Updates to Parking Regulations

Like any land use principle, parking codes and standards have evolved over the decades, and the City's current standards are not always based on current science, data, or industry best practices. It is recommended that the City update its regulations accordingly. Parking standards not only shape the level of dependence on cars but also building design, the cost of housing, the overall health and welfare of the community, and even the way people socially interact with each other. It is for these reasons that parking regulations must be carefully crafted.

Short-Term Opportunities

A. Revise the fractional parking requirement.

The City's regulations currently require that fractional parking requirements always round up to the nearest whole number.[2] To match industry standards, it is recommended that only fractions of 0.5 or greater be rounded up. It is recommended that the City Council direct staff to return to City Council with this recommended change.

B. Determine what types of building program should factor toward a site's parking requirements.

The City can be more purposeful with how it determines a building's parking demand by isolating the areas that in reality do not contribute to demand, such as employee shower and locker rooms, restrooms, and storage areas, and exclude those from parking requirements. Many of the City's parking standards currently base requirements on a gross floor area calculation without consideration for areas that would not contribute to parking demand. It is recommended that the City Council direct staff to analyze what types of building program should be included in the parking demand calculation and to return to City Council with any recommended changes.

C. Factor for ride hailing.

It is recommended that the City study a parking credit system to account for the observed decline in parking demand since the introduction of app-based ride hailing services such as Uber and Lyft, whose app-based services are now familiar and popular among a significant cross-section of the general public. For example, the City could consider reducing the parking requirement by some amount based on reasonably available data for any business located within 600 feet of a public passenger loading space. The 600-foot radius is recommended as it would match the maximum distance that the Zoning Code

[2] Laguna Beach Municipal Code Section 25.52.012(D)

currently allows for off-site parking.[3] Projecting toward the future, the City may reasonably anticipate greater use of these services based on the City's recent implementation of a free on-demand microtransit pilot program (Laguna Local), which has met or exceeded performance goals.

It is recommended that the City Council direct staff to prepare recommendations with respect to parking credits for ride hailing for consideration by City Council.

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Figure 31. Laguna Local. An on-demand and shared-ride transit service between the Top of the World, Bluebird Canyon and Arch Beach Heights neighborhoods, and Downtown.

D. Revise the intensification of use calculation.

Instead of a grandfathered parking credit system, a common approach that cities use is to simply require parking for the incremental increase in demand between the prior and proposed use. The City should consider adopting a similar methodology. It is recommended that City Council direct staff to prepare and present to City Council an analysis of what steps would be required to implement this change.

E. Update the in-lieu parking certificate program.

The City should review and update the in-lieu parking certificate program.[4] First, the City should undertake an evaluation of the cost per certificate and determine the appropriate cost going forward. The July, 2022 adopted fee schedule sets the current price at $23,000 per certificate. It is recommended that going forward the in-lieu fee be based loosely on the cost of providing a parking spot, minus anticipated net revenue from users. The fee structure could, however, set different rates for changes of use and new

[3] Laguna Beach Municipal Code Section 25.52.006(H)
[4] Laguna Beach Municipal Code Section 25.52.006(E)

construction, or lower fees for a project proposing an adaptive reuse of an existing building or another use the City wants to promote (such as senior or workforce housing as an example). In-lieu fees can be used with other parking revenues to build publicly-managed parking facilities within the denser commercial areas, or to fund surface parking lots and public-private partnerships in districts with a lower demand for parking or serving less dense commercial areas.

Second, the City should determine how it can require or encourage greater participation in the in-lieu program. The Parking Code provides a range of creative land use tools to satisfy parking requirements, and it is staff's experience that most applicants will opt to pursue an alternative to paying the in-lieu fee, such as by applying for sidewalk café parking credits. As a result, the current in-lieu fee program has not produced significant revenues, and, in part, has contributed to the shortage in public parking spaces that this report seeks to address. It is recommended that amendments to the City's Parking Code be made to enhance the amounts collected through the in-lieu program.

Third, the geographic area of the in-lieu program should be expanded. The in-lieu program is only available to businesses located within an area designated by the City Council to be hardship areas and for which special districts are formed for the purpose of providing central or common parking facilities and/or improving public transit. Today, only the Downtown Specific Plan area is so designated. Based on the scope of this report, which recommends tailored parking and transit solutions from North to South Laguna, an expansion of the in-lieu program is appropriate.

It is recommended that the City Council direct staff to prepare and present to City Council recommendations on how to update the in-lieu parking certificate program.

F. Requirements for bicycle lockers and similar long-term bicycle parking facilities for certain commercial projects.

The City's parking regulations currently address short-term bicycle parking only. Short-term facilities such as bicycle racks provide convenience for cyclists running errands or otherwise visiting a destination for a short duration. To further encourage bicycle use, some cities have now also implemented standards for long-term bicycle parking that address the security needs of employees, students, and others who will usually remain at a site for multiple hours. Such facilities include bicycle lockers, bicycle rooms, bicycle cages, and commercially operated attended bicycle facilities. Secure facilities would also provide more peace of mind for short-term users that are increasingly riding e-bikes, which can be more expensive than traditional bicycles. The City could establish thresholds for when long-term bicycle parking would be required, such as when a commercial building is enlarged or newly constructed, or when an existing tenant space is intensified by a defined amount. In certain cases, long-term bicycle parking could be credited toward a site's parking requirement, but not to exceed a certain amount (e.g., no more than 10% of the total required off-street parking).

It is recommended that the City Council direct staff to prepare and present to City Council a set of recommendations on how to update the City's parking regulations with respect to bicycle parking.

Figure 32. Bikeep Smart Locker. Long-term bicycle parking should be secured from the general public and enclosed on all sides, and protect bicycles from inclement weather. The example pictured includes an e-bike charger for commuters.

The City should decide whether or not to pursue this recommendation based on existing bicycle lane infrastructure and any future improvements to the network that may be planned. If high-quality bicycle infrastructure such as protected bicycle lanes are built, long-term bicycle parking facilities would be especially valuable for supporting and enhancing usage.

G. Create a standard condition of approval to ensure employers are encouraging employees to reduce their dependency on single-occupancy vehicles.

A standard condition of approval could be developed and applied to certain types of non-residential projects that are subject to discretionary review, such as intensifications of use, to ensure employers are encouraging the use of sustainable modes of transportation as part of their employees' daily commutes. The following strategies are recommended and can be implemented at little to no added cost to the employer.

- On-site transportation information.
- New employee orientation: educate new employees about all available commute options.
- Commuting matching services (i.e., carpooling) for all employees on an annual basis and for all new employees upon hiring.
- It is recommended that the City Council direct staff to prepare a standard condition of approval for use on the types of projects described above.

Medium-Term Opportunities

H. Update the parking code purpose statement.

The Parking Code should be revised to reflect current policy goals. Noticeably absent from the purpose statement are references to the City's current policy goals and acknowledgement of current technologies and lifestyles.

I. Revise the off-street parking requirements (downtown excluded).

Because parking is an expensive resource, the provision of parking affects the cost of housing, commercial lease rates, and, ultimately, all consumer goods, as prices are passed through to patrons. Parking that is constructed and reserved for a single use is likely to sit vacant much of the time. Thus, it is necessary to identify the right amount of parking and to ensure that it is managed well to maximize its use, which can be addressed through a shared parking approach.

While parking codes typically set parking requirements for retail stores, restaurants, offices, and other uses, the actual parking demand of these businesses when located within a mixed-use setting has frequently been found to be less than what zoning codes normally require.[5] This is because zoning codes generally establish parking requirements for individual land uses without factoring for internal capture or offsetting peaks.

- **Internal Capture:** By eliminating the need to re-park, drivers can walk between local destinations, reducing the total number of spaces required per trip.
- **Offsetting Peaks:** Shared supplies make use of the fact that parking demand tends to peak at different times among different land uses to reduce the total supply needed to support all area destinations.

A diversity of land use types can be expected to create synergy through internal capture and offsetting peaks, and result in shared parking needs that are less than the standalone code-based parking requirements. Office parking demand, for example, is highest from 9:00 a.m. to 5:00 p.m. on weekdays, while the demand for shopping or dining is highest in the evenings or weekends. Parking spaces can, and should, serve these complementary demand curves.

Understanding that the City's commercial areas cluster a mix of uses within generally walkable districts, the City could study this to determine the magnitude of the shared parking effect locally, and adjust requirements for individual land uses accordingly. Any changes to the parking requirements would be contingent upon an area having both complementary land uses and a sufficient supply of parking that can be accessed and shared by a mix of users.

[5] Planning Advisory Service, *PAS EIP-24 – Parking Solutions* (American Planning Association, 2009), Mixed-Use Development and Shared Parking.

It is recommended that the City Council direct staff to prepare and present to City Council recommendations on how to revise the off-street parking requirements.

J. Enact mitigating strategies with employee commuting requirements.

A recent adaptive reuse project brought to light a program that can help ease parking impacts created by some employees that park in residential neighborhoods for the duration of their shift.[6] The City should evaluate and consider augmenting its Transportation Demand Management regulations in the Zoning Code – which apply to large development projects – to require participation in the OCTA vanpool program or an equivalent program. This program couples remote employee parking with a shuttle service to the business. Employees can be incentivized to use the shuttle if authorized to clock into work when boarding the shuttle. The City regulation could also provide a menu of tools designed to make it easier to walk, bike, and take transit, with business owners being given the option to select the right tools for their business.

It is recommended that the City Council direct staff to prepare and present to City Council recommendations on how to implement this strategy.

K. Evaluate the commercial development standards to determine if zoning constraints create a barrier to providing concealed parking.

The City's commercial development standards should be evaluated to determine if zoning constraints are creating a barrier to providing concealed parking. Visible garages, surface lots, and tuck-under parking diminish the walking and shopping experience of a pedestrian-oriented environment. Because development standards influence and direct the design of parking facilities, the City should review its development standards and determine if changes can be made to benefit walkability.

One example of a standard that should be studied is the maximum driveway slope requirement. Because the City's commercial areas are typified by small lots, the feasibility of subterranean parking would in part be determined by the length of the ramp. A steeper ramp would shorten its length, freeing up more space within the garage to meet parking requirements. A steeper ramp may also be needed in some cases to achieve a lower floor and ensure that the garage is fully subterranean. If the garage is only partially below grade, the commercial floor level above would also be raised above the sidewalk, which interferes with human-scale development and the City's pedestrian orientation.

It is recommended that the City Council direct staff to evaluate the zoning constraints related to concealed parking and present to City Council any recommended changes.

[6] Parking management plan for the Red Dragon restaurant located at 680 S. Coast Hwy., approved by the City Council on August 16, 2022.

9. Additional Opportunities

Parking and Transportation Demand Management Report as One Part of an Overall Mobility Plan

Bicycle Master Plan

The City should study the feasibility of a bicycle master plan to build connectivity for alternative modes that allow for travel across longer distances than individuals will achieve by foot. E-bikes are emerging as a true market disruptor and can make three- to six-mile commutes feasible, provided that adequate bicycle infrastructure is put in place. The City's temperate climate and scenic streets make cycling an enticing option to some for commuting and as recreation. We have seen with the trolley service and, more recently, with the on-demand microtransit pilot program, that the community will embrace new modes of alternative transportation. Cycling could also resonate with those in the community that view environmental stewardship and outdoor living as key elements of the City's collective identity.

While the City may be uniquely primed for success if it were to invest in and promote bicycle usage, one critical issue is the lack of existing high-quality bicycle infrastructure and the difficulties with accommodating new protected or separated bicycle lanes within existing rights-of-way. Limited-width rights-of-way, curvilinear streets, and hilly topography will complicate network design, but some of these challenges can be mitigated by e-bikes or by routing the network around overly constrained areas. A comprehensive cycling network should allow most cyclists to spend most of their trips in a low-stress environment. This network would require protected bicycle lanes on streets with high motor vehicle speeds and volumes to be effective. On lower-speed streets, conventional, painted bike lanes may be sufficient.

A more detailed study would be needed to determine how the public right-of-way could adequately and safely accommodate motorists, pedestrians, and cyclists. However, the benefits of doing so could be significant, with greater transportation choice reducing traffic congestion and the City's environmental footprint, as well as improving public health outcomes.[7]

Pedestrian Mobility Plan

The City should consider developing a pedestrian mobility plan around the following three studies, which have been utilized around the country. The studies aim to guide improvements by prioritizing investment around impact. They organize a series of interventions to make walking more useful, safe, comfortable, and interesting.

[7] A five-year study that followed 263,450 people found that those who biked to work had a 41% lower risk of dying prematurely. This included a 46% lower risk of developing heart disease and a 45% lower risk of developing cancer (Gill and Celis-Morales, "We All Know Biking Makes Us Healthier. But It's Even Better Than We Thought," 2017).

- **Walkability study:** A walkability study asks the question: how can an area, without spending a lot of money, witness the most palpable increase in the number of people walking and/or biking in a short amount of time? It then uses the following categories to organize a broad collection of recommendations that arise from studying the facts on the ground: the useful walk, the safe walk, the comfortable walk, and the interesting walk. Based on this assessment, the study ends with a to-do list of next steps that incorporates the prioritized improvements already laid out and identifies the parties responsible for implementation.[8]
- **Frontage quality assessment and identification of anchor locations:** In a frontage quality assessment, street segments are rated in terms of comfort and interest. Those ratings are then color-coded, and patterns emerge that suggest which streets and sectors are most welcoming to pedestrians independent of their safety characteristics. This is the first step to determine where people are likely to walk. It is then merged with another map that identifies all the significant anchors in the area. Anchors are sites that are expected to be generators and receivers of pedestrian activity (both existing and planned, including known future parking structures). While frontage quality explains where people are likely to want to walk, anchors tell us where people are likely to need to walk. The resulting map can then serve as a basis for creating another map.
- **Network of walkability map:** Based on the frontage quality assessment and identified anchors, a network of walkability can be created to guide improvement, prioritizing investment where it can make the most impact. The frontage and anchor diagram is studied to identify street segments of higher quality that come together to form clear walkable areas. Next, those segments are supplemented by additional segments necessary to connect different areas together. Finally, that network is expanded further to provide the most likely paths among anchors. The resulting network of walkability map represents the map of likely pedestrian activity, and demonstrates the places to invest in first, both in roadway improvements and in filling missing teeth. The map highlights the places to enforce a higher standard of urban performance, and to supply well with transit options. It also lays out a hierarchy for phased future improvements.

Local Road Safety Plan

The State of California has been encouraging the development of Local Road Safety Plans (LRSP) to systematically review and enhance transportation safety. The state has completed two rounds of funding for such plans (at no cost to local jurisdictions), and the City has submitted a grant application for the pending third cycle. Having an LRSP or equivalent is also a pre-requisite for Highway Safety Improvement Project funds, which are an important source for local agencies. An LRSP for Laguna Beach can address:

- The safety aspects of pedestrian access to major parking facilities.
- The safety aspects of on-street parking along heavily traveled streets.
- The appropriate conditions for prohibiting on-street parking (red curbs).
- Safety provisions related to drop-off/pick-up zones.

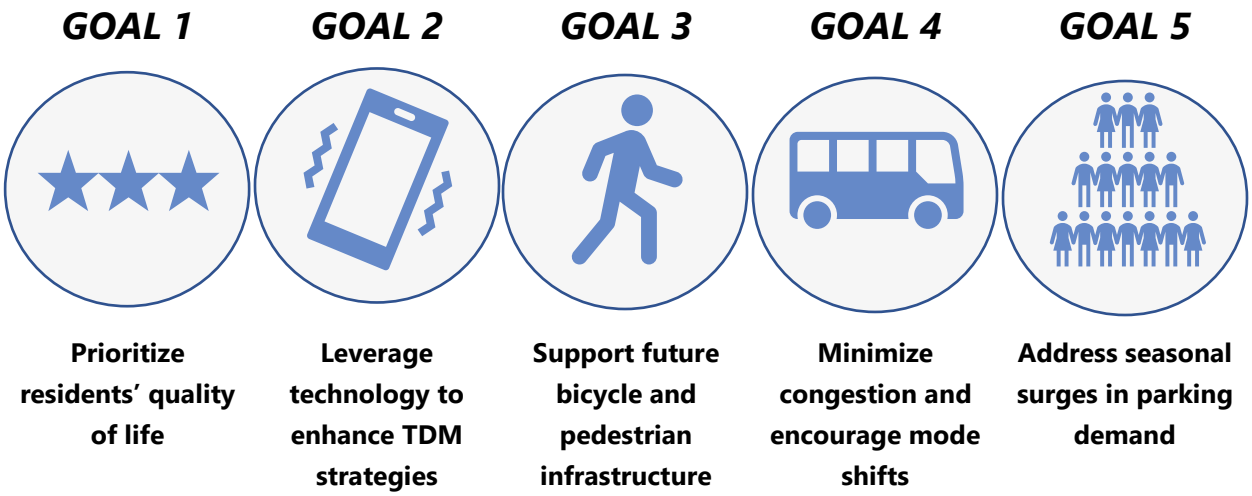
[8] This technique has been used in the cities of Tulsa, Oklahoma; Lancaster, Pennsylvania; Albuquerque, New Mexico; and West Palm Beach, Florida, among others. Examples can be found online.

10. Recommendations – Summary

The discussion at the January 2023 public hearing created an opportunity, as intended, to refine the framework and recommendations in the draft report. The updated recommendations are below. The first section below ("approach") clarifies the outcomes that are desired through implementation of the recommendations. The remainder of the document presents the updated recommendations.

Approach

The recommendations aim to address five primary goals:



- Goal 1: Emphasize actions that **prioritize quality of life for residents** by enhancing mobility options for residents and reducing the impacts of employee and visitor parking on neighborhoods.
- Goal 2: **Leverage technology** to build on prior City investments and maximize the efficiency of existing parking and transit services. Develop and implement programs to **support Transportation Demand Management (TDM) objectives.**
- Goal 3: Use the Parking and Transportation Demand Management Report recommendations to lay the foundation to **support future bicycle and pedestrian infrastructure**. The City has limited available right-of-way to improve these facilities without the loss of street parking. Due to the California Coastal Commission's coastal access concerns, the City should anticipate and plan for some amount of replacement parking in the form of off-street parking facilities, some of which can be addressed through public-private partnerships. The Subcommittee recommends that the Parking and Transportation Demand Management Report become Phase 1 of an overall mobility plan, with separate studies prepared for a Bicycle Master Plan and Pedestrian Mobility Plan.
- Goal 4: **Minimize congestion and encourage mode shifts** by: 1) placing greater emphasis on parking facilities on the periphery of key activity centers, supported by dynamic wayfinding signage;

2) ensuring that new parking facilities are proposed near significant commercial areas and other destinations within walking-distance to a mix of destinations, and provide amenities/services to encourage park-once behaviors with convenient public transit connections to other destinations; 3) continuing the City's discussions with the California Coastal Commission to facilitate parking pricing that discourages auto trips to the core of the city; 4) incentivizing more employee parking on the perimeter by partnering with businesses; and 5) pursuing options with the State to restrict non-resident parking in neighborhoods.

- Goal 5: Continue to actively work with festivals and other special event uses to **address seasonal surges in parking demand**, including maximizing the use of alternative modes and expanding parking supplies at the periphery of the destinations.

A word on induced demand

Convenience and cost influence people's travel decisions. Although the City has for years attempted to work with the Coastal Commission on a dynamic pricing strategy for public parking that would encourage increased use of alternative modes of transportation, success has been incremental and limited, with seasonal increases in parking rates remaining below what the free market would bear. While the City will continue to work with the Coastal Commission on this important issue, it must also begin to move forward with strategies to mitigate some of the traffic and parking impacts from visitors and employees. "Anchor" strategies include enhancements to the City's already-robust public transit programs. Alternative modes will be more time- and cost-efficient as services are enhanced.

The City's scenic beaches, rich culture, walkable downtown, and access to wilderness parkland and open space mean that the City is and will remain a strong visitor draw – there are no peers in the region that can offer a substantially similar experience. Despite the traffic congestion, visitors have continued to flock to the City, willing to accept the added travel time instead of making shorter trips to surrounding beach communities. **Additional parking supplied on the perimeter of the key activity centers will remove these vehicles from the City's core, reducing their impact within City limits. Only limited amounts of additional parking are recommended in proximity to the core destinations.** While these locations (Downtown, HIP District, etc.) can significantly benefit from additional shared public parking to take advantage of varying peak hours of demand, some amount of scarcity should be tolerated to encourage alternative modes of transportation. While visitors will continue to accept delayed travel times in order to visit Laguna Beach, the City's limited points of access will nonetheless have some amount of positive effect on the potential for induced traffic as parking supplies are strategically increased over time.

Infrastructure

The following reflects the discussion at the January 2023 Public Hearing by orienting new infrastructure towards locations closer to the periphery of the key activity centers with the intent of minimizing congestion in the core of City. Items 1, 3 and 5 in table 3 below would further this goal. The City also heard from the arts organizations that additional parking is needed near Downtown. The Downtown area is unique for its concentration and diversity of destinations, including several seasonal and special event uses that create surges in parking demand. A limited amount of additional shared parking would benefit these uses and limit spillover effects on the adjacent residential areas.[9] For Items 3 through 5, the target users would be a combination of festival/special event patrons, employees, and volunteers, along with daily off-site employee parking. For Item 6, the target users would be a combination of residents accessing the Community Center/Susi Q, the Laguna Beach Community Clinic and other Downtown locations, as well as the general public accessing the Promenade and other Downtown locations.

Similarly, the HIP District features a diverse mix of uses within a small, walkable area, and has been growing as a local destination within the community with its own identity. However, unlike the Downtown, the HIP District lacks a reasonable supply of publicly managed parking that can be shared among uses with varying peak hours of demand. As discussed in the Challenges and Issues section of this report, shared parking can benefit this district by reducing impacts on the abutting residential neighborhoods, addressing the navigational challenges that make it difficult for the City to direct visitor traffic to available parking, and improving design outcomes for a richer pedestrian experience, among other benefits. Item 7 in table 3 below is one option to address parking in the HIP District.

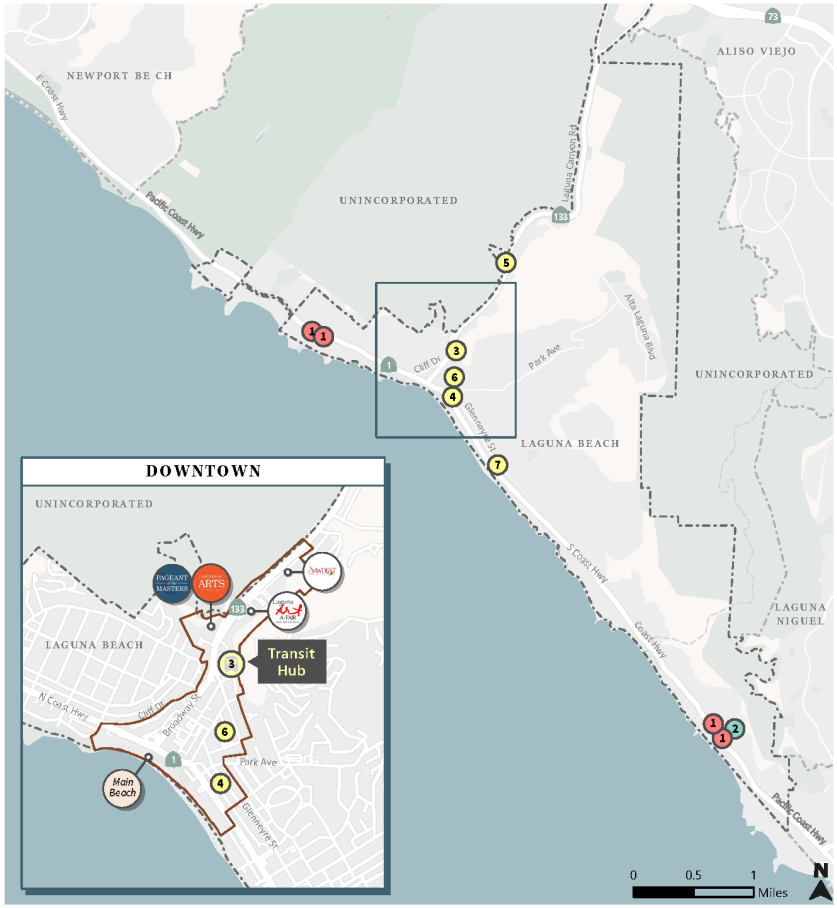
Table 3. Parking Infrastructure Opportunities

	Priority	Treatment/Outcome	Action	Lead Party	Goal
1	1	Repurpose underutilized parcels at peripheral locations for publicly-available surface parking (*locations A-E from report*)	Approach private lot owners regarding their interest in City-subsidized conversion	Transit and Community Services Dept.	1, 4 & 5

[9] In addition to serving as the City's premier commercial district and receiving activity associated with the adjacent Main Beach Park, the downtown area plays a specialized civic and cultural role within the community year-round. Off-season events include cultural and non-profit activities at the Festival of Arts grounds, theater productions at the Laguna Playhouse, the weekly farmer's market, Hospitality Night and other City-sponsored events, and the Winter Fantasy art festival at the Sawdust Festival. The impacts on abutting neighborhoods are especially acute in this area due to the year-round activity.

2	2	Develop a long-term lease for top floor of parking garage at Mission Hospital	Approach Mission Hospital and negotiate a long-term arrangement	Transit and Community Services Dept.	1
3	3	3-level parking structure at 635 Laguna Canyon Road (Village Entrance), yielding approx. 200 new spaces	Bring forward the preliminary design proposals pursuant to the action taken by City Council on September 8, 2020	Public Works Dept.	1 & 5
4	4	Construct a partial parking deck addition at the Glenneyre Street Parking Structure (Lot 6), yielding approx. 37 new spaces	Lot 6 is in need of structural maintenance based on the age of the facility. An expansion could be constructed at the same time to limit costs. Study such a design as a potential alternative to the retrofit project	Public Works Dept.	1 & 5
5	5	Study the feasibility, cost and benefit of constructing a 3-level parking structure at 1900 Laguna Canyon Road (Act V), yielding approx. 263 new spaces.	Develop plans and financing for new facility, along with sidewalk on north side to connect to existing sidewalk, which ends at Canyon Acres	Public Works Dept.	1 & 5
6	6	City project for public parking at the Laguna Presbyterian Church site	Proceed with an award of contract for the concept design and present the draft lease agreement to the City Council	Public Works Dept.	1 & 5
7	7	Study the feasibility, cost, and benefit of constructing a 3-level parking structure with commercial space fronting the primary street on the 1300-block of Glenneyre Street, yielding approx. 130 new spaces	Approach private property owners to gauge interest in the potential project	Public Works Dept.	1 & 5

Figure 33. Expanding Parking Supply Strategy



1. Repurpose underutilized parcels at peripheral locations for publicly-available surface parking
2. Develop a long-term lease for top floor of parking garage at Mission Hospital

Explore Modifications or New Structures

3. Parking Structure at 635 Laguna Canyon Road (Village Entrance)
4. Parking deck addition at the Glenneyre Street Parking Structure (Lot 6)
5. Parking Structure at 1900 Laguna Canyon Road (Act V)
6. City Project for Public Parking at Laguna Presbyterian Church
7. Parking Structure with commercial space fronting 1300-block of Glenneyre

Expanding Parking Supply Strategy

ransportation Demand Management (TDM) strategies and Updates to Parking Regulations

The following table of possible action items is sorted into two groups, "Short" and "Medium," based on the anticipated implementation timeline. The action items are also ranked in order of priority.

The actions are also grouped into two sets: transportation demand management strategies, and updates to the off-street parking regulations.

Table 4. Transportation Demand Management and Parking Regulations – Possible Action Items

ID	Priority	Category	Opportunity	Action	Implementation Timeline	New One-Time Cost	New Ongoing Annual Cost	Funded	Grant Eligible	Responsible Party	Comments	Target Completion
1	3	TDM/Parking	Increase parking costs in high-demand areas to encourage use of peripheral lots and free transit service.	Evaluate means to strengthen City's demand-based pricing model in key areas, including a possible fixed-fee surcharge for specific lots/zones. Will require approval of Coastal Commission.	Short	Revenue generating, but may require more frequent transit service from peripheral lots and technology upgrades for dynamic pricing.	Expected to be cost neutral or revenue generating; revenue dependent on pricing increase.	No	Potentially	CD/T&CS	Will require new Coastal Development Permit.	1/1/2026
2	1	TDM/Parking	Explore partnerships for public parking in private lots.	Identify existing, improved private lots that have unused capacity and develop outreach program to contact owners to evaluate interest in leasing to City for public parking.	Short	Consultant cost to assist staff with outreach.	Annual lease cost estimated at $1,000-$2,500 per space in improved lots depending on location based on current agreements.	No	Unlikely	T&CS	Additional spaces leased by City can be promoted though parking app.	5/1/2024
3	1	TDM/Parking	Standardize signage and pricing for public parking offered in private lots.	Enhance public awareness of decentralized private parking lots to create consistent "brand," and pricing, as appropriate. Examine programs in other cities and create template and cost-sharing proposal for private lot owners.	Short	Minimal design costs; Static signs approx. $100/ea; potential parking app updates needed.	None.	No	Unlikely	T&CS		5/1/2024
4	3	TDM/Transit	Provide a local circulator service in specific areas of City.	Identify candidate areas (downtown, HIP district), to improve circulation and complement existing on-demand microtransit program.	Short	TBD depending on service area/frequency.	TBD depending on service area/frequency.	No	Yes	T&CS		6/1/2025
5	3	TDM/Parking	Develop a pilot program for 3rd party to manage public parking in private lots, including app-based solutions and advance reservations.	Develop RFP or RFI for third-party services, which could include app-based reservation services like Spot Hero or potentially staffed/valet lots in some locations.	Short	None; staff time only.	Not fee based -- services charge parking lot owners 10-15 percent fee per transaction.	No	Potentially	T&CS		6/1/2025

ID	Priority	Category	Opportunity	Action	Implementation Timeline	New One-Time Cost	New Ongoing Annual Cost	Funded	Grant Eligible	Responsible Party	Comments	Target Completion
6	2	TDM/Transit	Expand reach of City's on-demand microtransit service.	Identify target areas, funding resources and potential partners; potential to create Citywide coverage area with goal of reducing private vehicle trips between residential areas and downtown/other activity centers, and associated parking demand.	Short	TBD depending on service area/frequency.	TBD depending on service area/frequency.	No	Yes	T&CS		1/1/2025
7	1	TDM/Parking	Pursue seasonal valet parking in selected City lots.	Review lots and discuss viability with valet operators; would require TUP. Possibly start as seasonal pilot program during summer at selected lots.	Short	Minimal cost for new signage.	Approximately $130/hour valet fee for 80-100 space lot.	No	Unlikely	T&CS		5/1/2024
8	3	TDM/Parking	Enhance intentionality regarding use of curb space.	Conduct an inventory of current usage/regulations and examine best practices in other cities; work with PTC Committee to develop updated recommendations.	Short	None; staff time only.	None.	No	N/A	Public Works		12/30/2026
9	3	TDM/Transit	Adopt a program to increase use of alternative transportation modes by employees of private businesses.	Look at models in other cities and identify key elements, including incentive vs. mandatory.	Short	None; staff time only.	None.	No	Potentially	CD		12/30/2026
10	1	TDM/Parking	Work with Laguna Beach Unified School District to utilize existing facilities for public parking	Hold discussions with the School District to determine interest, available capacity, hours of operation, and other relevant factors for the City Council's consideration.	Short	None; staff time only.	Unable to estimate; subject to negotiation.	No	Unlikely	T&CS		6/1/2024
11	2	TDM/Parking	Identify opportunities for additional off-site employee parking at peripheral lots.	Research available supply, modifications required to trolley routes, and promotional approach to businesses and employees.	Short	None; staff time only.	Additional transit operating costs or pass subsidy (OCTA) and potential lease costs for new peripheral lots.	No	Potentially	CD/T&CS		1/1/2025
12	1	TDM/Parking	Implement dynamic wayfinding signage to guide drivers to available parking.	Work with existing vendor, Frog Parking, for pilot program in lots that have parking occupancy sensors. Propose starting with Glenneyre Structure and Aliso Beach lots, as well as during summer at Act V and Mission Hospital lots.	Short	$8,000 to $10,000 per installed sign.	Minimal	No	Unlikely	T&CS	Opportunity for a "quick win" to make more efficient use of existing resources.	6/1/2024

ID	Priority	Category	Opportunity	Action	Implementation Timeline	New One-Time Cost	New Ongoing Annual Cost	Funded	Grant Eligible	Responsible Party	Comments	Target Completion
13	1	TDM/Parking	Update the City's parking permit programs (Shopper Permits, Downtown Employee Permits, etc).	Permits have been in place for a decade or more without substantial changes to their price or validity. Review existing parking permit offerings and consider streamlining and creating more consistent, market-based pricing.	Short	None; staff time only.	Revenue generating	N/A	N/A	T&CS	Will likely result in increased revenue to Parking Fund depending on changes made.	1/1/2024
14	1	Parking Code Update	Revise the fractional parking requirement	The City's regulations currently require that fractional parking requirements always round up to the nearest whole number. To match industry standards, only fractions of 0.5 or greater should be rounded up	Short	None; staff time only.	None	N/A	N/A	CD		
15	2	Parking Code Update	Determine what types of building program should factor toward a site's parking requirements	The City can be more purposeful with how it determines a building's parking demand by isolating the areas that in reality do not contribute to demand, such as employee shower and locker rooms, restrooms, and storage areas, and exclude those from parking requirements	Short	None; staff time only.	None	N/A	N/A	CD	Can be designed to incentivize end of trip facilities such as showers and lockers that make it easier for those that choose to cycle, walk, or run to work.	
16	2	Parking Code Update	Factor for ride hailing	Study a parking credit system to account for the observed decline in parking demand since the introduction of app-based ride hailing services such as Uber and Lyft, whose app-based services are now familiar and popular among a significant cross-section of the general public. Credits would be predicated on a site's proximity to a passenger loading space	Short	None; staff time only.	None	N/A	N/A	CD		
17	1	Parking Code Update	Revise the intensification of use calculation	Instead of a grandfathered parking credit system, a common approach that cities use is to simply require parking for the incremental increase in demand between the prior and proposed use	Short	None; staff time only.	None	N/A	N/A	CD		

ID	Priority	Category	Opportunity	Action	Implementation Timeline	New One-Time Cost	New Ongoing Annual Cost	Funded	Grant Eligible	Responsible Party	Comments	Target Completion
18	2	Parking Code Update	Update the in-lieu parking certificate program	Review and update the in-lieu parking certificate program: (1) determine the appropriate cost going forward; (2) determine how the City can require or encourage greater participation in the in-lieu program; and (3) expand the geographic area for the program	Short	None; staff time only.	None	N/A	N/A	CD/Finance	Will likely result in increased revenue to Parking Fund depending on changes made.	
19	1	Parking Code Update	Requirements for bicycle lockers and similar long-term bicycle parking facilities for certain commercial projects	Implement standards for long-term bicycle parking that address the security needs of employees, students, and others. The City's current requirements address short-term bicycle parking only.	Short	None; staff time only.	None	N/A	N/A	CD		
20	1	Parking Code Update	Create a standard condition of approval to ensure employers are encouraging employees to reduce their dependency on single-occupancy vehicles.	A standard condition of approval can be developed and applied to certain types of non-residential projects (e.g., changes and intensifications of use) to ensure employers are encouraging the use of sustainable modes of transportation as part of their employees' daily commutes.	Short	None; staff time only.	None	N/A	N/A	CD		
21	5	TDM/Parking	Investigate mechanical lifts for select City-operated parking lots	Identify available technology, candidate locations and aesthetic mitigations required.	Medium	Estimated cost of $15,000 per space to allow two stacked vehicles. Cost could increase depending on aesthetic mitigations required.	TBD - Staffing costs to operate lift.	No	Unlikely	Public Works	Could be done in tandem with valet parking.	
22	4	TDM/Parking	Add parking occupancy sensors to private parking areas leased for public parking.	Work with private properties willing to provide shared public parking.	Medium	Approximately $450/space upfront hardware and install cost.	$40/space ongoing operating cost.	No	Potentially	T&CS		
23	4	TDM/Parking	Pursue residential parking program.	Implement residential parking program in select areas to discourage parking on residential streets by visitors and employees. Strategy must demonstrate "no net loss" of parking or diminished public access to beaches.	Medium	Staff time + minimal cost to produce and issue new permits.	Minimal annual cost + staff time to produce and issue permits to residents.	No	Unlikely	CD/T&CS	Will likely require addition of new public parking spaces before pursuing. If unsuccessful, legislation may be necessary.	

ID	Priority	Category	Opportunity	Action	Implementation Timeline	New One-Time Cost	New Ongoing Annual Cost	Funded	Grant Eligible	Responsible Party	Comments	Target Completion
24	5	TDM/Parking	Parking validation system for downtown restaurants and merchants allowing free parking at peripheral lots.	Work with Chamber of Commerce to develop boundaries, validation system and promotional plan. Review trolley routes and frequency necessary to support program.	Medium	TBD	TBD	No	Potentially	T&CS	Program will only work with new gated parking structures that allow payment upon exit rather than on arrival.	
25	4	Parking Code Update	Update the parking code purpose statement	Revise the purpose statement to reflect current policy goals and acknowledge current technologies and lifestyles	Medium	None; staff time only.	None	N/A	N/A	CD		
26	4	Parking Code Update	Revise the off-street parking requirements (downtown excluded)	For commercial districts that cluster a mix of uses within generally walkable districts, study the magnitude of the shared parking effect and adjust requirements for indidivual land uses accordingly. Changes to the parking requirements would be contingent upon an area having both complementary land uses and a sufficient supply of parking that can be accessed and shared by a mix of users	Medium	Develop an RFP for consultant assistance	None	No	Unlikely	CD		
27	4	Parking Code Update	Enact mitigating strategies with employee commuting requirements	Update the Transportation Demand Management regulations in the Zoning Code – which apply to large development projects – to require participation in the OCTA vanpool program or an equivalent program. Provide a menu of tools designed to make it easier to walk, bike, and take transit, with business owners being given the option to select the right tools for their business.	Medium	None; staff time only.	None	N/A	N/A	CD		
28	5	Parking Code Update	Evaluate the commercial development standards to determine if zoning constraints create a barrier to providing concealed parking	Visible garages, surface lots, and tuck-under parking diminish the walking and shopping experience of a pedestrian-oriented environment. Because development standards influence and direct the design of parking facilities, review the development standards and determine if	Medium	None; staff time only.	None	N/A	N/A	CD		

ID	Priority	Category	Opportunity	Action	Implementation Timeline	New One-Time Cost	New Ongoing Annual Cost	Funded	Grant Eligible	Responsible Party	Comments	Target Completion
				changes can be made to benefit walkability								

Updates to City Parking Permits

The City currently offers a variety of parking permits for City residents and employees, including the Shopper Permit for Laguna Beach residents, Downtown Resident permit, Downtown Employee permit, Quiet Zone permit, Summer Festival permit for artists and Festival employees, School District permit for non-Laguna Beach residents who reside within the Laguna Beach Unified School District, Non-Resident Senior permit, Lumberyard permit, Alice Court permit and Mermaid Lot permit. Most of these parking permits have been in place for a decade or more without any substantial changes to their price or validity. The Committee has reviewed these parking permit offerings and suggested options to streamline the number of parking permits available also to create more consistent, market-based pricing. Pricing on all passes should be increased annually moving forward based on the Consumer Price Index. The proposed changes include expanding the validity of the resident Shopper Permit to new lots, as well as introducing a revised employee parking pass that is valid in additional areas throughout the City. The City is also working to transition to a license plate-based parking permit system that would allow more efficient distribution and enforcement of the various parking permits in place.

It should be noted that the City is currently prohibited from implementing any new parking permit programs in residential neighborhoods by the California Coastal Commission, as they view these types of permits as a barrier to public coastal access. However, it is recommended that the City Council consider directing staff to engage with the Coastal Commission to see what types of measures could be allowed in the neighborhoods if the City is successful in adding public parking in close proximity to the beaches.

Table 5. Updates to City Parking Permits – Employee/Business Parking Permits

Permit	Current Cost	Proposed Cost	Year introduced	Total available	# in circulation	Time/Location valid
Lumberyard	$55/month; Same fee since inception	Discontinue and combine with new employee pass	2009 or earlier	120	96	Lot 11, 551 Forest (7 days/week) – not dedicated space
Alice Court	$70-$75/month; Same fee since inception	$100/month	2002 or earlier	22	22	Alice Court, 450 Glenneyre (7 days/week) – dedicated space

Hagan Place	$65/month; Same fee since inception	$100/month	2002 or earlier	25	19 6 City staff spaces	Lot 14, 480 Mermaid (M-F before 5 p.m.); paid public parking after 5 p.m. and on weekends – dedicated space
Employee	$300/year; ($25/month); Same fee since 2008	Standard: $40/month Premier: $80/month	2002 or earlier	150 – update to 300 Standard and 200 Premier	57	-Meters on Cliff Drive between Aster and Acacia (year-round, 7 days/week, up to 12 hours) -Lot 6 (501 Glenneyre) upper level (east side along brick wall) and meters on eastbound side of Laguna Canyon Road (M-F, Labor Day to mid-June, up to 12 hours/day) – not dedicated space Standard: Meters on Cliff Drive between Aster and Acacia, inland Aliso lot and metered spaces on Glenneyre, Lot 10 and metered spaces on Laguna Canyon Road (non-summer only), up to 12 hours in all locations. Premier: All areas included in "Standard" pass plus upper level of Lot 6 (non-summer only) and Lot 11 year-round, up to 12 hours in all locations.

Note: Current public parking rates in Village Entrance Lots are $4/day off-season and $17/day during July and August.
Monthly cost for parking 5 days/week is $80/month during non-summer months, or average of $123/month including summer months.

Table 6. Updates to City Parking Permits – Other Parking Permits

Permit	**Current Cost**	**Proposed Cost**	**Year introduced**	**Total available**	**Time/Location valid**
Shopper Permit	$80/every two years ($3/month); Same fee since 2006	Maintain existing fee	2002 or earlier	No limit	All parking meters/lots except all-day Village Entrance lots, and meters along LCR and Frontage Road during summer, up to posted time limit. Valid in Aliso Beach lots and 7 spaces in Laguna Drug lot year-round; valid in Lots 10 and 11 during non-summer season.
24 Hour Residential	$200/year($17/month); Same fee since 2006	$200/year	2002 or earlier	No limit	Same as Shopper Permit, except 24 hour parking allowed at meters within 1 block of home. Limited to residents living downtown or adjacent to Coast Hwy
Non-Resident Senior	$130/year($11/month); Same fee since 2002	$200/year	2002 or earlier	No limit	Same as Shopper Permit. Non-residents 65+. Update to include non-resident military veterans.
Non-Resident LBUSD	$120/year($10/month); Same fee since 2006	$200/year	2002 or earlier	No limit	Same as Shopper Permit; Valid for LBUSD families in Emerald Bay, Newport Coast & Laguna Audubon

It is recommended that the City Council approve the revised parking permit rates in Tables 5 and 6.

11. Funding Strategies

The Report identifies estimated costs for Short-Term Opportunities, Medium-Term Opportunities, and TDM Strategies. Table 7 summarizes the estimated costs and annual revenue for items listed in each category. The cost of some strategies could not be calculated due to limited available data. The table only considers the parking infrastructure solutions identified in Section 10 of this Report (Recommendations – Summary), which is a short list of potential projects reviewed by the Subcommittee.

Table 7, Summary of Estimated Costs

#	Type	Net Gain in Spaces	Capital and One-Time Costs	Site Annual Lease and Site Annual O&M	Estimated Revenue Per Net Gain in Spaces*	Estimated Annual Revenue
1	Short-Term Opportunities (Sites Not Involving a Parking Structure)	154	$1,400,000	$42,000	$4,400	$680,000
2	Medium-Term Opportunities (Site with Parking Structures)	803	$84,900,000	$390,000	$4,400	$3,500,000
3	TDM Strategies Short-Term		$130,000	$900,00		
4	TDM Strategies Medium-Term			$750,000		

* Rates per space and do not adjust for future parking rate increases

There are several financial strategies the City Council could consider to fund the short-term and medium-term opportunities identified in the Report. It is not likely all the strategies will be implemented. These include using available funding from the Parking Fund, generating new parking revenue when new spaces are added to the inventory, increasing existing revenue sources such as sales tax, transient occupancy tax, and business license taxes, and issuing lease revenue bonds for parking structure projects.

Some strategies, such as increased sales, transient occupancy, and business license taxes, would require voter approval. Others, such as using available funding in the Parking Fund, would require City Council approval. The available funding could also be used toward debt payments on lease revenue bonds, which are shown as bonding capacity when discussing the parking structure projects.

Available Funding for Short-Term Opportunities

For this analysis, the available funding includes the estimated revenue and expenditures for Fiscal Year 2023-24 and the expected net revenue (revenue minus expenditures) in future years in the Parking Fund. The net revenue in Table 8 indicates the additional amount available each year in the Parking Fund and the related bonding capacity, which is the maximum amount that can be borrowed, assuming the revenue will be used toward a debt service payment at existing interest rates. However, this analysis does not consider any potential increases in parking fees beyond what is already approved, which includes an annual increase of 10 percent in all City parking lots and meter zones in the downtown through Fiscal Year 2025-26. . Table 8 displays an unrestricted Parking Fund balance of approximately $8 million as of July 1, 2024, and an expected increase in the annual unrestricted fund balance of $1.5 million starting in Fiscal Year 2024-25. Please note that this analysis did not assess or assume any contributions from the City General Fund, Capital Improvement Fund, and other operating funds.

Table 8, Summary of Available Funding

#	Source	Available Fund Balance July 1, 2024	Net Revenue (Rev-Exp)	Bonding Capacity Per $1 million in Available Revenue*	Bonding Capacity Based on Net Revenue*
1	Parking Fund	$8,000,000	$1,500,000	$16,700,000	$25,000,000

* Assumes a 30-year bond issuance at a 6% interest rate.

With the available fund balance in the Parking Fund as of July 1, 2023, and the expected additional revenue listed in Table 9, the City has enough available funding in the Parking Fund to implement the Short-Term Parking Opportunities and the Short-Term TDM Strategies. The capital and one-time costs could be paid from the existing fund balance, with most annual costs covered by new revenues.

Table 9, Comparison of Cost to Implement Short-Term Opportunities Compared to Available Funding

#	Type	Net Gain in Spaces	Capital and One-Time Costs	Site Annual Lease and Site Annual O&M	Estimated Revenue Per Net Gain in Spaces*	Estimated Annual Revenue	Net Cost Year 1 Costs-Revenue
1	Short-Term Opportunities	154	$1,400,000	$42,000	$4,400	$680,000	$762,000

#	Type	Net Gain in Spaces	Capital and One-Time Costs	Site Annual Lease and Site Annual O&M	Estimated Revenue Per Net Gain in Spaces*	Estimated Annual Revenue	Net Cost Year 1 Costs-Revenue
2	TDM Strategies Short-Term		$130,000	$900,000*			$1,030,000
	Total	154	$1,530,000	$942,000		$680,000	$1,792,00

* Cost primarily related to recommendations to increase transit and micro-transit services

Funding Strategies for Medium-Term Opportunities

The Medium-Term Opportunities and Medium-Term TDM Strategies required more comprehensive funding strategies, such as lease revenue bonds, tax increases, or other revenue enhancements to fund parking infrastructure projects. For example, the City could issue lease revenue bonds to fund parking structures, and over time the revenue generated from parking structures would pay the cost of the debt service.

In addition to lease revenue bonds, there are other opportunities for the City to generate funds related to parking infrastructure programs. Table 10 provides an overview of additional funding opportunities with a brief description of each item following the table.

Table 10 Funding Strategies for Medium-Term Items

#	Type	Eligible Expenditures	Approval Required	Estimated Annual Revenue	Bond Capacity
1	Lease Revenue Bonds	Parking Structures	City Council	$4,400 in new revenue per space)	$16,700,000 per $1 million in new revenue
2	Business Improvement District	Capital, O&M, relevant advertising	Property owners representing more than 50% of the tax to be levied. Assessment based on benefits to the business.	Unable to Estimate	

#	Type	Eligible Expenditures	Approval Required	Estimated Annual Revenue	Bond Capacity
3	Remove Cap on Business License Gross Receipts tax	Capital	50% or more of voters voting yes in a citywide election	$500,000 to $1,000,000	$8,350,000 to $16,700,000
4	Transient Occupancy Tax	Capital Improvement and O&M	50% or more of voters voting yes in a citywide election	1% = $1.5-$1.8M	$25,000,000 to $30,000,000
5	Sales Tax	Capital Improvement and O&M	50% or more of voters voting yes in a citywide election	0.25% = $1.5M	$25,000,000
6	In-Lieu Fees	Equivalent facilities that would have been required on-site	City Council	Unable to Estimate	
7	Employee Parking Annual Fee (A per-employee fee is assessed as part of the Business License tax)	Capital Improvement and O&M	50% or more of voters voting yes in a citywide election	Assume an annual fee of $100 would generate $1.5-$2M	$25,000,000 to $33,400,000
8	Increase in Parking Fees	Capital Improvement and O&M	City Council	It would require approval from Coastal Commission $1 increase = $1.5million	$25,000,000

#	Type	Eligible Expenditures	Approval Required	Estimated Annual Revenue	Bond Capacity
9	Festival of the Arts Pageant of the Master	Capital Improvement and O&M	Agreement between the City and the Festival of the Arts	Unable to Estimate; subject to negotiation	
10	Public Private Partnerships	Capital Improvement and O&M	City and Private Groups partner to build Parking Structure	Unable to Estimate; subject to negotiation	

The following is a more detailed explanation of the sources that have the highest capacity for revenue:

- **Lease revenue bonds:** Lease revenue bonds are another potential funding mechanism for parking infrastructure projects. These bonds are typically backed, in whole or in part, by anticipated revenues from the project being financed, such as parking fees from a new parking structure. Over time, the revenue generated from the project is used to pay the cost of the debt service on the bonds. However, the issuance of lease revenue bonds requires careful consideration and analysis of the revenue stream to ensure it is sufficient to cover the debt service.
- **Business Improvement District**: If established, the Business Improvement District could be used for enhanced levels of signing (static and dynamic), security, cleaning, promotions, or even a local circulator and for additional parking facilities. The City should discuss/explore the potential for a Business Improvement District with business owners in the Downtown and HIP areas to determine the level of interest.
- **Remove Cap on Business License Gross Receipts Tax**: Another potential funding source to fund the short-term and medium-term strategies identified in the Report is to remove the cap on the business license gross receipts tax. Currently, the City has a cap on the amount of revenue it can generate from this tax is $1,650. Compared with a number of other cities, the business license tax is quite low. By removing this cap, the City could generate additional revenue of $500,000 to $1 million to support ongoing capital improvement, maintenance and enhancement of parking infrastructure. However, removing the cap on the business license gross receipts tax would require voter approval, as it is a tax increase and may face opposition from local businesses. The City would need to engage in a public outreach campaign to educate voters on the benefits of the proposed increase and seek their support through a ballot measure.

- **Increase in Transient Occupancy Tax** One strategy the City could consider to fund the short-term and medium-term strategies identified in the Report is to increase the transient occupancy tax (TOT). The TOT is a tax paid by visitors to the City who stay in hotels, motels, and other lodging establishments. By increasing the TOT, the City could generate $1.5 million to $1.8 million in additional revenue to support parking infrastructure programs. However, increasing the TOT would require voter approval, as it is a tax increase. The City would need to engage in a public outreach campaign to educate voters on the benefits of the proposed increase and seek their support through a ballot measure.
- **Increase in Sales Tax:** Another strategy the City could consider to fund the short-term and medium-term strategies identified in the Report is to increase the sales tax. By increasing the sales tax, the City could generate additional revenue to support parking infrastructure programs. However, increasing the sales tax would require voter approval, as it is a tax increase. The City would need to engage in a public outreach campaign to educate voters on the benefits of the proposed increase and seek their support through a ballot measure.
- **In Lieu Fees** is a term that refers to a payment made by a developer or business owner to the City in exchange for the ability to provide fewer off-street parking spaces than would otherwise be required by zoning regulations. As noted in the Report, the City should review and update the in-lieu parking certificate program. The In-lieu fee can be based loosely on how much the parking costs to provide, minus anticipated net revenue from users. The fee structure could set different rates for changes of use and new construction, or lower fees for a project proposing an adaptive reuse of an existing building or another use the City wants to promote (such as senior or workforce housing as an example). In-lieu fees can be used with other parking revenues to build publicly managed parking facilities within the denser commercial areas, or to fund surface parking lots and public-private partnerships in districts with a lower demand for parking or serving less dense commercial areas.
- **Employee Annual Parking Fee** Another potential funding source to fund the short-term and medium-term strategies identified in the Report is to implement an annual parking fee for employees of businesses in Laguna Beach. This fee could be based on the number of employees per business and on a sliding scale based on the proximity of parking space to the workplace. The fee would be assessed through the Business License Application and would require voter approval, as it is a tax increase. The revenue generated from this fee could help fund the ongoing maintenance and enhancement of the City's parking infrastructure and other transportation demand management programs.
- **Increase Parking Rates**: Another strategy the City could consider to generate additional revenue for the short and medium-term strategies identified in the Report is to increase parking rates. By increasing parking rates $1, the City could generate additional revenue to support ongoing maintenance and enhancement of the parking infrastructure and other transportation demand management programs. However, increasing parking rates will require the support of the Coastal Commission. The City would need to carefully assess the potential impact of rate increases on parking utilization and consider potential alternatives to mitigate any negative impacts. The City may also need to engage in a public outreach campaign to educate stakeholders on the need for rate increases and address any concerns they may have.
- **Festival of the Arts/Pageant of the Master Contribution:** The Festival of the Arts is a significant event that draws visitors and revenue to the City each year. One potential strategy could be to request a

contribution from the Festival of the Arts to help fund the City's parking and demand management programs. However, any such contribution would need to be negotiated and agreed upon with the Festival organizers and would need to be balanced with the benefits that the Festival provides to the City. The City would need to engage in discussions with the Festival of the Arts and determine the feasibility and potential scope of a contribution and to ensure it is mutually beneficial for both parties.

- **Public-private partnerships (P3):** A P3 model is somewhat more complicated than the other financing mechanisms, but it may be the most attractive for delivering a high-cost item, such as a parking structure. There are two types of models: a concession agreement or lease/leaseback. In a concession agreement, the private entity finances, designs, builds, and operates the project under a long-term lease from the landowner (the City in this case). In a lease/leaseback arrangement, a 501c (established for the project) is a temporary owner until the financing is paid off, and then ownership reverts to the City or private entity. Depending upon who owns the property, a ground lease may also be included. Funds from parking revenues go towards bond repayment.

Recommendation:

The Subcommittee recommends moving forward with the Short-Term Opportunities and TDM Strategies identified in Section 10. If the City Council decides to pursue the Medium-Term Strategies, they should evaluate the revenue enhancement and funding options related to those strategies and provide direction on which ones to approve.

Additionally, the Subcommittee recommends the City Council consider pursuing an employee parking annual fee through the business license tax, as outlined in items #3, and #7 in Table 10.

12. How Success Will be Measured

Parking demand and supply are not static. For example, parking demand changes with economic cycles, development patterns, and technology (such as Uber/Lyft, parking sensors, and e-bikes). Therefore, the City will benefit from an ongoing process to monitor parking conditions. The City should undertake a periodic process that provides data for review and potential action. To be most meaningful and useful, the metrics should be consistent year-to-year. Staff should generate a semi-annual report to the City Council for the first implementation year, and periodically thereafter, that incorporates the following:

- **Parking Revenues:** This should include both the number of transactions and the total revenue.
- **Parking Occupancy:** The data collected at all City meters should be summarized and presented to show both peak (July) and off-peak (February) conditions. The data should be disaggregated by sub-area, using the same six areas used in this report unless staff has a logical basis to use another method. The data should also track occupancy trends over time at the peripheral parking locations.
- **Economic Activity:** A measure of business success, preferably the retail component. Sales tax may be the best surrogate for this topic.
- **Trolley and Microtransit Usage:** Number of annual and monthly boardings**.**

If the above is done in a consistent format, trends can be observed to help the City shape its ongoing policies and actions.