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## Memorandum

**To:** Balboa Village Advisory Committee  
**From:** Brenda Wisneski, Deputy Community Development Director  
**Date:** December 4, 2013  
**Re:** Parking Standards/Requirements

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The Balboa Village Parking Management Plan recommends eliminating minimum parking requirements in the short term for nonresidential uses within Balboa Village. Residential development would continue to provide the required parking. To determine if this recommendation is appropriate for Balboa Village the following details: 1) Existing Parking Regulations, 2) Existing Parking Supply, 3) Existing Parking Occupancy or Demand, and 4) Potential Future Parking Demand.

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

- Make it difficult, if not impossible, for new businesses to locate in the village if their parking requirements are higher than the previous use;
- Require new development to dedicate tremendous amounts of land for parking which is difficult to accommodate on small parcels;
- Potentially require new development to construct a structure to accommodate parking which could degrade project's form, design, and aesthetics;
- Limit the ability to do urban "infill" projects; and
- Make projects more expensive and reduce overall profitability.

### **Existing Parking Regulations**

#### *How Many Parking Spaces are Required for New Uses or New Development?*

Chapter 20.40 of the Newport Beach Zoning Code describes the minimum number of parking spaces that each land use must provide. For nonresidential uses, minimum parking requirements are predominantly based on building square footage, but some are based on occupancy. Minimum parking requirements for some of the nonresidential land uses found in Balboa Village are shown in Table 1. Retail sales, financial institutions, and offices all are required to have one space per 250 square feet while restaurants and bars require more parking per square foot.

**Table 1 Existing Parking Requirements for Primary Commercial Land Uses**

Land Use	Minimum Requirement
Retail Sales	1 per 250 sq. ft.
Food Service	1 per 30—50 sq. ft. of net public area, including outdoor dining areas, but excluding the first 25% or 1,000 sq. ft. of outdoor dining area, whichever is less.
Bars, Lounges, and Nightclubs	1 per each 4 persons based on allowed occupancy load
Financial institution and related service	1 per 250 sq. ft.
Offices—Business, Corporate, General, Governmental (non-medical)	1 per 250 sq. ft. net floor area (only applies to first 50,000 sq. feet and then changes)

Changes in use and enlargement or intensification of an existing use shall require compliance with the parking requirements. If a use or structure does not provide the required parking, as is commonly the case in Balboa Village, they would be considered “nonconforming.” The nonconforming uses may be changed to a new use without providing additional parking, provided no intensification or enlargement (additional floor area) occurs. Intensification of a use may occur, if the increase of spaces is provided either on-site or off-site with an agreement.

Recognizing the number of nonconforming structures in Balboa Village, Chapter 20.38.040 of the Zoning Code allows existing nonresidential nonconforming structures to be demolished and reconstructed to their preexisting height and floor area; provided that not less than the preexisting number of parking spaces is provided.

*Can the Required Parking be Adjusted?*

Yes, the required number of parking spaces may be reduced if certain criteria is met and a conditional use permit (CUP) is approved. Chapter 20.40.110 of the Newport Beach Municipal Code describes mechanisms for reducing the number of parking spaces required. With approval of a CUP, parking requirements may be reduced if a Parking Management Plan is provided indicating parking demand would be less, or other parking is available (city lot nearby, on-street parking, walkability of area, mixed use development). Alternatively, a CUP may include provisions for joint use of parking facilities for multiple adjacent businesses that have distinct and differing peak parking demands, or if a business locates parking off-site on another property.

The existing parking requirements do not necessarily support the existing character of Balboa Village or future plans to enhance the safety, accessibility, and walkability of the community. The process for adjusting parking can be subjective and onerous for intensification of use or redevelopment. Therefore, it is recommended that minimum parking requirements for all nonresidential land uses in Balboa Village be modified or eliminated.

**Existing Parking Supply**

As shown in Table 1, a total of 1,204 spaces were documented in the on-street blocks and off-street lots of Balboa Village. There are a total of 76 on-street spaces, representing 8% of the publicly-available parking supply. A total of 1,128 spaces exist in various off-street lots, both public and private.

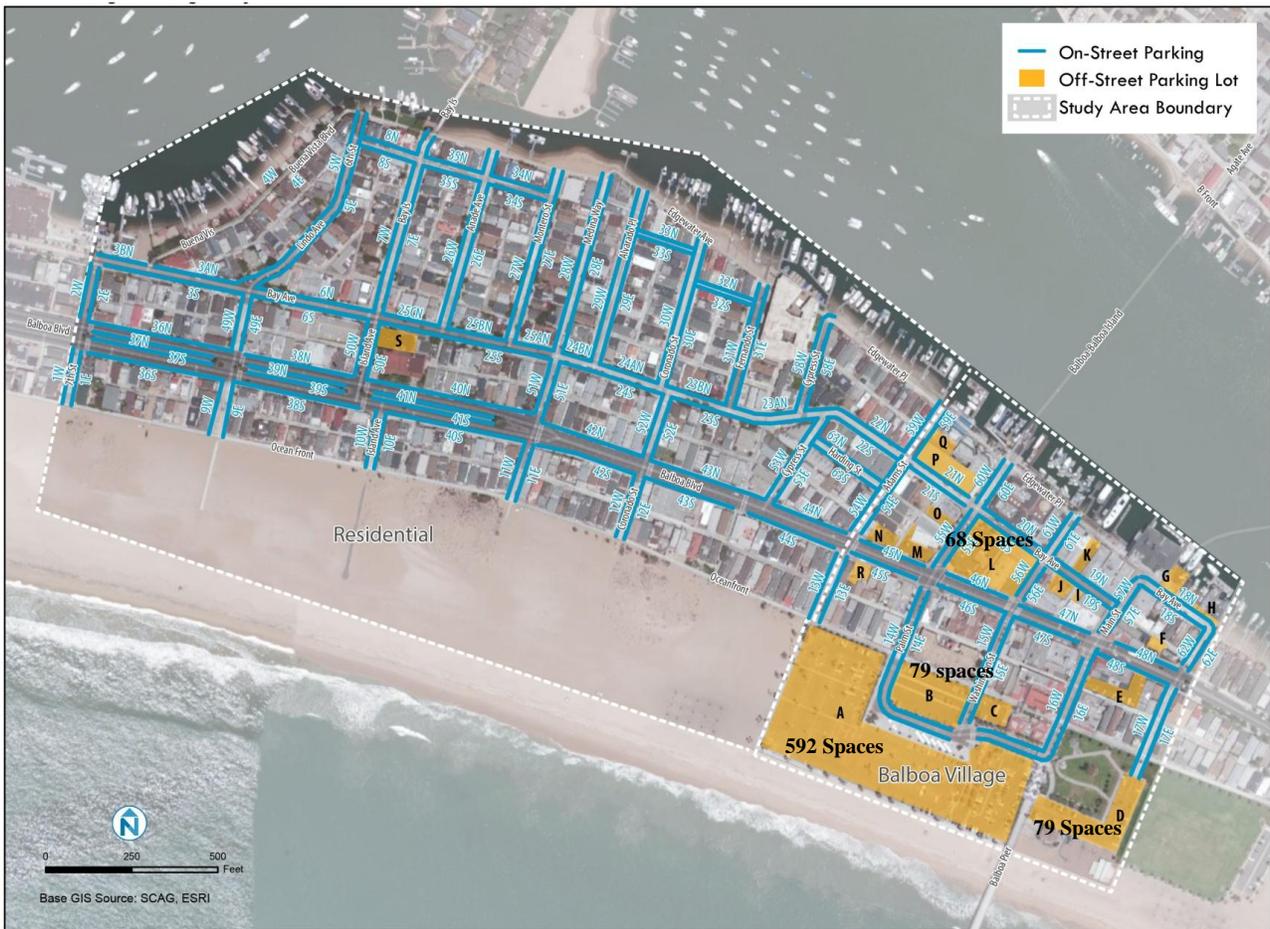
Of the on-street spaces, the vast majority (78%) are metered. Virtually all of the surveyed off-street parking is located in Balboa Village; the residential sub-area only has one off-street lot (an 8-space lot

at the Public Library on Balboa Boulevard and Island Avenue). Error! Reference source not found. shows on-street parking regulations in the study area.

**Table 1 Balboa Village Parking Inventory and Type**

On-Street <sup>1</sup>							Off-Street <sup>2</sup>		Total Spaces
Unmarked	Metered	Green	Loading	Disabled	Total	% share	Total	% share	
10	59	0	7	0	76	8%	1,128	99%	1,204
13%	78%	0%	9%	0%	100%				

**Figure 1 Parking Locations**



<sup>1</sup> Unmarked spaces are defined as those with no posted restrictions; Metered spaces are defined as those with public parking meters; Green spaces are defined as those with posted short-term time limits (green curb); Loading spaces are defined as those reserved for loading purposes only (yellow or white curb); Disabled spaces are defined as those reserved for handicapped individuals with appropriate placards (blue curb).

<sup>2</sup> Includes private and public parking lots.

## Parking Occupancy<sup>3</sup>

Target occupancy rates of 85% and 90% are effective industry standards for on- and off-street spaces, respectively. In other words, maintaining 15% and 10% vacancy rates for corresponding on- and off-street stalls will help ensure an “effective parking supply.” It is at these occupancy levels that roughly one space per block is available, making searching or “cruising” for parking unnecessary and allowing off-street lots to maintain adequate maneuverability. Occupancy rates below these targets indicate a diminished economic return on investments in parking facilities.

Extensive field surveying was conducted in the spring and summer 2013. Surveying was conducted on a Thursday and Saturday in March 2013. And, surveys were conducted on Thursdays and Saturdays in the months of June, July, and August 2013. Detailed survey results are provided under separate memo. Findings of the survey data are:

- 1. While the parking supply is underutilized during weekdays, various “hot-spots” of demand exist.** On Thursday counts, at no point did overall on- or off-street utilization reach target levels, though some of the mostly unregulated blocks along Bay Avenue, Balboa Boulevard, and Adams Street reached or exceeded target levels.
- 2. On summer weekends, district-wide parking supplies generally met overall demand at most times, though during peak periods most facilities met or exceeded target utilization rates.** On Saturday, utilization peaked at 88% during the 4-6 pm count period in March, but peaked at 96% during the 2-4 pm count period during the summer. During these peak periods, the majority of the study area’s on- and off-street facilities met or exceeded target utilization rates. While some over-utilized on- and off-street facilities are located in relatively close proximity to facilities with significant capacity, it is clear that during weekends the parking supply in the study area is utilized above target rates.
- 3. Comparing spring occupancy levels to summer rates, overall utilization is higher in the summer, but follows the same general trends as observed in the spring.** During all collection efforts, off-street facilities exhibited a gradual peaking in the early afternoon and on-street spaces were utilized most heavily in the late evening.
- 4. The sub-areas exhibit different parking utilization and turnover trends.** Occupancy was typically lower in the Balboa Village sub-area than in the residential sub-area, though the peaking of demand was much more heavily pronounced in Balboa Village. On Saturday, utilization in Balboa Village surpassed that of the residential sub-area during only two count times, peaking at 98% (2-4 pm). The turnover data shows that between the two sub-areas, vehicles parked for much shorter periods of time in the Balboa Village than in the residential sub-area on both days, as expected given the differences in land use. The Balboa Village’s shops, restaurants, and other venues attract short-term parkers, while the on-street blocks of the residential sub-area are most likely used by long-term parkers such as employees, Catalina Flyer patrons, and residents.

Tables 3 (Thursday) and 4 (Saturday) depict the occupancy levels for municipal lots (referenced as Lots A, B, D and L in Figure 3) and on-street parking in Balboa Village. These parking areas provide 887 metered parking spaces within the Village. As shown, the area experiences occupancy levels beyond 90% less than 50% of the time on Thursdays, but this level is commonly experienced on Saturdays both off-season (March) and during the summer. Therefore, it could be concluded that the Balboa Village regularly exceeds the target occupancy rate of 85% to 90% on weekends even during the off-season, particularly if warm weather is in effect.

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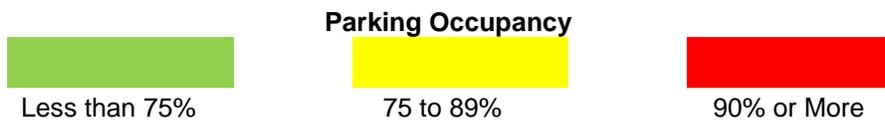
<sup>3</sup> All occupancy calculations omit the 24 spaces in Lot E (on Balboa Boulevard between Main Street and A Street) from the total inventory because that facility was closed for construction during the count periods.

**Table 3 Parking Occupancy in Municipal Lots (Thursday)**

	Lots A & B	Lot L	On—Street	Lot D
<b>MARCH</b>				
8am to 10am	Green	Green	Green	Green
10am to 12	Green	Green	Green	Red
12 to 2pm	Green	Red	Green	Red
2pm to 4pm	Green	Yellow	Green	Yellow
4pm to 6pm	Green	Yellow	Yellow	Yellow
6pm to 8pm	Green	Green	Green	Green
9pm to 11pm	Green	Green	Green	Green
<b>JUNE</b>				
8am to 10am	Green	Green	Green	Green
10am to 12	Green	Green	Green	Green
12 to 2pm	Green	Yellow	Red	Yellow
2pm to 4pm	Green	Red	Yellow	Red
4pm to 6pm	Green	Yellow	Yellow	Yellow
6pm to 8pm	Green	Yellow	Red	Red
9pm to 11pm	Green	Yellow	Green	Red
<b>JULY</b>				
8am to 10am	Green	Green	Green	Red
10am to 12	Green	Green	Green	Red
12 to 2pm	Yellow	Yellow	Red	Red
2pm to 4pm	Red	Yellow	Red	Red
4pm to 6pm	Red	Yellow	Red	Red
6pm to 8pm	Green	Yellow	Red	Red
9pm to 11pm	Green	Yellow	Red	Yellow
<b>AUGUST</b>				
8am to 10am	Green	Green	Green	Green
10am to 12	Green	Green	Green	Red
12 to 2pm	Red	Red	Yellow	Red
2pm to 4pm	Red	Red	Red	Red
4pm to 6pm	Red	Red	Red	Red
6pm to 8pm	Yellow	Red	Yellow	Yellow
9pm to 11pm	Yellow	Red	Yellow	Yellow

**Table 4 Parking Occupancy in Municipal Lots (Saturday)**

	Lots A & B	Lot L	On--Street	Lot D
<b>MARCH</b>				
8am to 10am	Less than 75%	Less than 75%	Less than 75%	Less than 75%
10am to 12	Less than 75%	Less than 75%	Less than 75%	90% or More
12 to 2pm	Less than 75%	90% or More	Less than 75%	90% or More
2pm to 4pm	90% or More	90% or More	90% or More	90% or More
4pm to 6pm	90% or More	90% or More	90% or More	90% or More
6pm to 8pm	75 to 89%	90% or More	90% or More	90% or More
<b>JUNE</b>				
8am to 10am	Less than 75%	Less than 75%	Less than 75%	Less than 75%
10am to 12	Less than 75%	Less than 75%	Less than 75%	Less than 75%
12 to 2pm	90% or More	90% or More	90% or More	90% or More
2pm to 4pm	90% or More	90% or More	90% or More	90% or More
4pm to 6pm	Less than 75%	90% or More	90% or More	90% or More
6pm to 8pm	Less than 75%	90% or More	90% or More	90% or More
<b>JULY</b>				
8am to 10am	Less than 75%	Less than 75%	Less than 75%	75 to 89%
10am to 12	90% or More	Less than 75%	90% or More	90% or More
12 to 2pm	90% or More	90% or More	90% or More	90% or More
2pm to 4pm	90% or More	90% or More	90% or More	90% or More
4pm to 6pm	90% or More	90% or More	90% or More	90% or More
6pm to 8pm	90% or More	90% or More	90% or More	90% or More
<b>AUGUST</b>				
8am to 10am	Less than 75%	Less than 75%	Less than 75%	75 to 89%
10am to 12	75 to 89%	Less than 75%	Less than 75%	90% or More
12 to 2pm	90% or More	90% or More	90% or More	90% or More
2pm to 4pm	90% or More	90% or More	90% or More	90% or More
4pm to 6pm	90% or More	90% or More	90% or More	90% or More
6pm to 8pm	90% or More	90% or More	90% or More	90% or More



## Potential Future Parking Demand

The other piece to the puzzle is what new development would occur if parking requirements were eliminated. Some may be concerned that if the parking requirements are eliminated, the parking demand created by new development would exceed the existing parking supply. Currently, nonresidential development within Balboa Village totals 286,926 gross square feet. Applying the requirement of 1 parking space per 250 square feet, existing development would be required to provide 1,148 parking spaces.

Existing Nonresidential Development	286,926 square feet
Required Parking Per Code	1 space per 250 square feet
Total Required Per Code	1,148 Parking Spaces (286,926 ÷ 250)
Total Existing Spaces (public and private)	1,204 Parking Spaces
Parking Spaces Beyond Required	56 Spaces

Parking requirements are not the only challenge to redeveloping in the Village. Small parcel sizes and limited development standards are also factors which determine the desirability of redevelopment. Existing development standards limit commercial development to no more than a .75 floor area ratio, while mixed use development is limited to a 1.5 floor area ratio. Many of the structures in the village already are close to or exceed these floor areas.

## Recommendations for Consideration

The ultimate goal to evaluating the parking standards is to remove barriers to new development, renovation of existing buildings, and change of businesses. The following presents options for achieving this goal:

1. Eliminate Parking Requirements: The Balboa Village Parking Master Plan recommends eliminating parking requirements in the short term.  
By eliminating minimum parking requirements, the City of Newport Beach can:
  - a. Facilitate a “free market” for parking that is more realistically determined by actual parking demand, as opposed to conventional parking standards,
  - b. Reduce development costs and provide additional flexibility to developers, especially on smaller lots or with historic structures, and
  - c. Help to ensure that existing parking supply is efficiently utilized before building additional parking supply.

It is important to note that eliminating requirements could result in potential spillover problems if other recommendations are not implemented, depending on the amount and type of development in Balboa Village in future years.

Depending on the level of development in the long-term, The Master Plan also recommended that a “parking multi-modal” impact fee could be applied to all new nonresidential development and any change of use resulting in a more intensive land use. The fee would allow for a wide range of potential expenditures, including demand management programs, as well as improvements to parking, bicycle, pedestrian and transit facilities.

By instituting an impact fee, the City of Newport Beach can:

- a. Provide a valuable revenue source to mitigate potential transportation impacts in Balboa Village by financing not just roadway improvements, but also new or upgraded transit services, parking management measures, bicycle/pedestrian infrastructure, and other TDM programs.

Potential drawbacks include:

- a. This fee would fall under the purview of the California Mitigation Fee Act and would require an additional nexus study, which can be time and resource intensive.
  - b. The development community will likely resist an additional impact fee, as it would increase development costs.
  - c. Given the size of the proposed district and the projected development scenarios, revenue from such a fee would likely be limited. The City of Newport Beach currently has a traffic fee. The City would need to further evaluate the relationship of that fee to a separate fee in Balboa Village, especially in regards to any potential legal issues of two fees.
2. Eliminate Parking Requirements to allow for some Additions to structures and Intensification of Uses: The existing Code allows uses with nonconforming parking to add or intensify up to 10 percent provided additional parking is supplied for the addition or intensification. New businesses are often precluded in the Village because the additional parking is not available and cannot be created. The Code could be amended to eliminate the need to provide the additional parking spaces provided they add or intensify by no more than 10 percent.
  3. Eliminate Parking Requirements to allow for Changes of Use: The existing Code requires that all the required parking be provided for a change of use that results in an intensification and increase in the parking requirement. Often these parking requirements are an impediment to redevelopment for a change in use for an existing building or tenant suite. One solution would be to amend the Code to allow changes in use within existing buildings in Balboa Village without requiring the proposed use to comply with current parking requirements. All other Zoning Code standards would continue to be enforced, including any requirements for a use permit or other discretionary review. This allowance would facilitate the development of new or relocated restaurants and other uses that are often precluded for located within Balboa Village due to higher parking requirements.
  4. Allow structures to reconstruct while maintaining their existing parking conditions provided the floor area and height is maintained: The current Code allows structures which are nonconforming due to floor area to maintain their preexisting parking conditions. The Code could be amended to allow all structures to redevelop and maintain their preexisting parking conditions. If the structure is increased beyond existing conditions, parking associated with the additional floor shall be provided.
  5. Modify Parking Requirements: The parking requirements listed in Table 1 are applied to all uses within the City, regardless of the characteristics of the area. Therefore, uses in a commercial stripe property are required to provide the same number of parking spaces as commercial uses in areas which offer alternative travel modes (bike or walk) or multiple destinations. With the creation of a parking district, parking standards could be tailored to the uniqueness of Balboa Village. Suggested modifications could include:

**Table 5 Proposed Parking Requirements for Commercial Land Uses in Balboa Village**

Land Use	Minimum Requirement
Retail Sales	1 per <del>250</del> <u>400</u> sq. ft.
Food Service	1 per <del>30—50</del> <u>70</u> sq. ft. of net public area, including outdoor dining areas, but excluding the first 25% or 1,000 sq. ft. of outdoor dining area, whichever is less.
Bars, Lounges, and Nightclubs	1 per each 4 persons based on allowed occupancy load
Financial institution and related service	1 per 250 sq. ft.
Offices—Business, Corporate, General, Governmental (non-medical)	1 per 250 sq. ft. net floor area (only applies to first 50,000 sq. feet and then changes)

6. Increased Shared Parking Opportunities: The Master Plan also recommends formally establishing Balboa Village as a shared parking district. While the Zoning Code allows for parking to be shared with a conditional use permit, creating a district would maximize the efficiency of the parking by establishing a common pool of shared, publicly available spaces. The following would facilitate the creation of a “park once” district:
- a. Maximize use of the existing parking supply by improving wayfinding and parking information,
  - b. Work with existing property owners and businesses to ensure that private parking is made available to the public when not needed for its primary commercial use,
  - c. Work with property owners and businesses to develop mutually-agreeable operating and liability arrangements for the public’s use of private lots,
  - d. Require as a condition of approval that all newly constructed private parking in any nonresidential Balboa Village development or adaptive reuse project be made available to the public,
  - e. Allow parking to be shared among different uses within a single mixed-use building by right, and
  - f. If new public parking supply is needed, first purchase or lease existing private parking lots or structures from willing sellers, and add this parking to the shared public supply before building expensive, new lots/garages. Costs for purchase and leasing of spaces can vary dramatically, but would likely be in the range of \$50-500 per month per space.