PL201700252
PL2017-252

McGough Development

MEMORANDUM

To: Jennifer Desrude
Michael Centinario
Emily Gross
Brent Clark

From: Mark Fabel, David Higgins, Johnny Meeker

CC: Tom Lincoln, Gretchen Camp, Chris Willette, Ryan Samsa

Date: December 29, 2017

Re: BCS3 Multifamily Parking Rationale

Introduction

This memo is provided to the City of Bloomington and its parking/traffic consultant, SRF Consulting, to detail the rationale and support behind McGough's proposed parking count.

We have analyzed city code requirements, as well as recommendations of the City's parking consultant SRF, and proposed parking for the McGough BCS3 project, and we also looked at the parking availability and demand indicators for the neighboring residential properties (IndiGO rental apartments and the Reflections condominiums).

Our parking demand and supply analysis, and resulting proposed parking counts, are supported by both (1) the real-time case studies of two adjacent residential projects at BCS, and (2) the recommendations from the Urban Land Institute (ULI) publication *Shared Parking* (a primary source for both the City in its standards and SRF in its own analysis and recommendations), particularly when key adjustment factors in *Shared Parking* are applied as described in summary below. Therefore, we believe that our proposed parking counts to be appropriate and reasonable.

Please note that we have sought to be more conservative in the aspect the City has expressed greatest concern: non-resident, guest parking. We include within our parking facility twice the amount of comparable structured guest parking that IndiGO has and nearly 50% more relative to Reflections.

The use for which parking demand is most uncertain – the commercial/retail space, a use essentially untested within the BCS development – we have made well-founded adjustments based upon the recommendations in *Shared Parking*.

Parking Rationale by User Type (see also the summary table attached as Exhibit A)

Resident Parking

1. *Shared Parking* recommends for multifamily rental resident parking a ratio of 1.5 stalls/unit for "cornfield" locations, i.e. where there is no mass transit (Table 2-2). Where there is mass transit present, as in the case of BCS3, ULI recommends reducing the parking ratio to 1.2 stalls/unit. It is also notable that in Table 2-2 *Shared Parking* also recommends that it is typical for owned residential (e.g. including condominium ownership like Reflections) to have parking ratios <u>higher</u> than rental residential, specifying a 1.7 stall/unit ratio over and above the rental at 1.5 (again, these are recommendations for "cornfield" sites; those without mass transit).

2. McGough recognizes the competing concerns and policy drivers within the City regarding how much is enough vs. too much, in light both user demand and of the evolution of transit locally and globally (i.e. LRT, bus rapid transit, as well as, the advent of both autonomous vehicles & rideshare).

3. We acknowledge of those concerns by being more conservative than *Shared Parking.* Rather than propose the exact level recommended by ULI as low as their 1.2 ratio for transit sites, we propose a resident parking ratio of 1.3 stalls/unit for residents.

4. The proposal to go with a 1.3 ratio for residents is consistent with the demand numbers provided by SRF as being established at the abutting IndiGO and Reflections residential projects. We also note that Reflections – an ownership condominium – is proving out to have an even lower ratio than anticipated for owned residential units reported by *Shared Parking* (Table 2.2 indicates a ratio for owned units at 1.7 stalls/unit).

Guest Parking

1. IndiGO is reportedly providing 31 structured guest stalls which equates to a ratio of 0.078 stalls/unit; Reflections also has 31 structured guest stalls which, with their lower unit count, equates to 0.11 stalls/unit. In contrast, BCS3 is proposing 60 structured stalls consistent with and taken directly from the ULI recommendation of 0.15 stalls/residential unit.

2. According to City staff, initially there were complaint calls made by IndiGO residents to the City about uncertainty around street parking rules and availability to residents, as well as some sense that IndiGO has inadequate guest parking.

3. We also understand that the complaint calls have ceased based on (1) residents being corrected about their misunderstanding that the streets were controlled by the city and more clarity around signage/usage, and (2) building management improving communications with residents around parking generally (street use, guest, reserved/resident parking).

4. McGough is working with its property management advisor, Greystar, to prepare a parking management plan that will address concerns of residents through proactive communications, controls over use of building amenity spaces, and, where necessary, the requirement for resident-sponsored events to use a pre-approved valet service to ensure adequate onsite parking through leveraging area parking alternatives. Additionally, a streets management and

enforcement plan is being prepared as well. Both plans will be provided for City review as soon as possible.

Commercial/Retail Parking

1. We envision split usage of the commercial/retail/restaurant space at approximately 50% coffee shop/restaurant and 50% yoga/fitness studio with a focus walkable nearby residents and commercial tenants.

2. We project a 2500 SF coffee shop use needing not more than 46 seats, which at a 0.4 ratio of stalls/seat as required by city code yields 18 stalls.

3. We project 1500 SF for a yoga/fitness studio for which city code requires 1.0 stall/180 SF, or 8 stalls.

Adjustments: Captive vs. Non-Captive Visitors and Alternative Modes of Arrival

Captive/Non-Captive: We considered and feel demand adjustment are appropriate for what *Shared Parking* refers to as *captive* users. This category includes building visitors who are also residents of IndiGO and Reflections, or visitors who are employees and guests of nearby office buildings and hotel employees and guests, nearby). We anticipate and project they will comprise more than 75% of commercial customers; however, we again acknowledge the City's quantity concerns in discussion to date. In response to those concerns, we are adding to our projections to afford a conservative buffer resulting in only a 60% captive adjustment rather than our expected 75%. This results in a *non-captive* demand of 40% of the overall requirement.

Mode: Consistent with *Shared Parking*, believe further adjustment is appropriate to reflect the impact of varying modes of transit used by *non-captive* visitors, known as a *mode* adjustment. Mode adjustment is intended to account for visitors to a building whether guests of residents or customers of commercial space, who arrive by means other than driving themselves. Examples of modes eligible for adjustment would be guests and customers carpool (more than one person to a vehicle), users of ride-share services that are on the rise such as Uber, Lyft as well as taxi services (see trend data in Exhibit B attached), or alternatively, people arriving from other areas either on-foot or by bicycle outside the immediate abutting properties (e.g., visitors riding bikes or walking from the wildlife refuge or the Mall of America on a nice day; these visitors wouldn't technically be considered *captive* per se, but they also wouldn't need a parking garage or street parking space). Driverless or *autonomous* vehicles are another example. None of these visitors, be they guest or customer, require vehicle parking and, therefore, shouldn't be counted in the subject asset's demand calculations.

We consider a *mode* adjustment of 20% to be reasonable based upon both the current and increasing popularity of alternative transit modes for travel to and from the subject project, such as ride-share services, walking and biking (and in the years to follow, driverless cars). In general, given that South Loop is continually redeveloping into a progressively more urban, mixed-use setting, we see and anticipate that progressively more visitors are and will arrive not only by individual cars but these other methods. Similar to the captive adjustment approach, even though we strongly believe a 20%

adjustment is reasonable, we have only used a 10% mode adjustment to remain conservative in respect of the City's concerns to date.

Established Resident Demand; Conservative Approach

For practical experience and evidence of demand, we look at what was conservatively anticipated and provided for at both IndiGO and Reflections versus the demand realized once both projects where up and operating. At IndiGO, Lennar built its structured parking at a 1.7 ratio above and beyond the SRF recommendation of a 1.5 ratio. Yet in practice, we have all found their residents to be using the equivalent of a 1.3 ratio. An overbuilt parking facility is an unnecessary waste of private, and often public, investment that could otherwise lower project costs and improve financial feasibility of a project, thereby requiring less public subsidy.

Similarly, as noted above, *Shared Parking* recommends non-transit oriented owned residential to provide 1.7 stalls/unit and in practice Reflections condos are parking also to a 1.3 ratio of demand. In fact, when it reached full occupancy the building had excess, unused stalls. In both cases, it seems fair to assume at least some (if not most or all) of the demand falling meaningfully below expectations to be attributable to LRT, as well-used alternative method of transit to and from BCS (e.g. ride sharing services).

We certainly do not want to over invest ours or the city's subsidy dollars into under-utilized facilities within our proposed project. And it is our strong feeling we accommodate established demand while also acknowledging the impact of LRT availability and rising usage, along with the steady increase of ride-share opportunities and eventually driverless vehicles, and the impact of both on parking demands.

Lastly with respect to commercial customer parking, neither of the existing residential projects contains commercial/retail/restaurant space, nor does the BCS project area, from which to source comparable experience for our site. Therefore, we rely on two sources: (1) the research behind *Shared Parking*, and (2) the practical acknowledgment that BCS is, for the foreseeable near term, a destination only for those living, working or visiting there; therefore, the expectation is for commercial users that cater predominantly to those customers who are already onsite or effectively a walkable distance across the street.

<u>Conclusion</u>

Creating parking for any more than we need would a mistake, a poor investment choice, and would detract from existing public and private infrastructure investments at BCS and across all of South Loop. In the very remote circumstance where we have more than expected guest and commercial customer demand, based on the above factors compressing overall demand (including the resident demand), we anticipate having flexibility within our parking facility to expand and contract the resident parking if the ratio of resident to guest/commercial customer ends up being weighted differently than we project. Based on the foregoing, we believe our proposed parking counts to be reasonable and appropriately.

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Development

EXHIBIT A

(Table of Proposed Parking - Comparison of Requirements vs. Recommendations)

The following summary table depicts the continuum of sources and factors considered in arriving at McGough's total proposed parking counts. As shown, we begin with the City's code requirements, then consider (as SRF Consulting did as well) ULI *Shared Parking* recommendation specific to rental residential ratio as they related to the real-time examples of nearby IndiGO and Reflections. The resulting totals are then adjusted for both (1) people already at BCS for a variety of reasons and (2) those not driving to the BCS3 themselves, but arriving by other modes of transit. Lastly, we compare McGough's proposal to the recommendations of SRF Consulting and show the difference which aligns with our analysis and rationale described above in the body of this memo.

Use	City Code	ULI Recommendation	McGough Proposed - Unadjusted	Data Source	Non Captive Adjustment*	Mode Adjustment*	Adjusted Parking Demand	BCS3 Proposed	SRF Proposed	Difference
Residential	850-864	480	520	Lennar Data	0%	0%	520	532	580	-48
Retail Employee			5		0%	0%	5	5	0	5
Retail - Coffee	18		18	City Code	40%	90%	7	7	NA	
Retail - Workout	8		8	City Code	40%	90%	3	3		
Total Retail	27		27		75%	0%	10	10	15	-5
Structured Guest/Commercail-Retail		60	60	ULI	0%	0%	60	60	55	5
Total			612**				595**	607**	650	-43***

****Non-captive and Mode Adjustments:*** see above discussion.

**** Total reflects rounding.**

*****<u>Difference</u>:** SRF recommended a range of 595-665 depending particularly on the intensity of use of the commercial space to be provided. Their review contemplated a more intensive commercial use (retail/restaurant vs. yoga studio/restaurant-coffee shop) suggesting the lower end of SRF's range would be adequate.

EXHIBIT B

(Trend Data & Impact of ride-sharing and driverless car advances)

With the steady proliferation particularly of ride-sharing services, but also the increasing research and development of driverless cars, it would be reasonable to assume the trend toward fewer individual auto trips is one that will not only continue but will increase. This should only serve to further reduce daily demand for available parking. We are comfortable suggesting a mode adjustment of another 20%. Nevertheless, given the lack of comparative commercial/retail space at BCS, we again seek to be conservative on this adjustment and attribute just 10% of demand falling under the mode adjustment.

By way of example, an October 2016 piece by Money.com reported on a study by Certify, an expense management company, that found:

> *"the sharing economy had a major breakthrough last quarter: Uber and Lyft are officially now more popular than conventional taxis and rental cars. A combined 52% of ground transportation receipts processed by Certify in the third quarter of 2016 were for these two ride-hailing service. (Uber comprised the lion's share, making up 48% of receipts, while Lyft generated 4%.) Taxis fell from 14% in the previous quarter to 12%, and car rentals slipped from 37% to 36% of receipts….*
>
> *….When taxis and ride-hailing services are compared head-to-head (not including rental cars), it's clear that Uber and Lyft have taken a big bite out of taxis' business. As recently as the first quarter of 2014, Lyft's market share was barely a trace on Certify, and Uber made up just 18% of all receipts, with taxis taking the remaining 82%. Compare that to now: Uber now commands 75% of the market, with Lyft taking 6% and taxis' share of the market shrinking to less than 20%."*
>
> http://time.com/money/4543758/business-travelers-ditching-taxis-uber-lyft/

This upward trend won't reach 100% of rides certainly, but we feel it is fair to say that the changing face of personal transportation isn't likely to revert to a time when each visitor can be considered as a one driver, one vehicle scenario. Therefore, the influence of these alternatives will continue to impact demand for parking consistent with what we describe in the above memo.

Bloomington Central Station
District Parking Management Plan
(December 2017)

Introduction

The following District Parking Management Plan (DPMP) is intended to address and resolve current and future, *street parking* demand arising from completed development to date, as well as future development, at Bloomington Central Station. For the purpose of clarity, this plan is not intended to address private parking, but is instead specific to publicly available street parking on what are currently privately-owned and privately-managed streets within the BCS master plan area (the District).

This DPMP was prepared with the clear acknowledgment that personal modes of transportation, as well as the transportation industry in general, are in the midst of substantial disruption and change. Additionally, as district development continues, ***adjustment and amendment will be required*** on an iterative basis to accommodate changing and future conditions.

Street Parking Types – Time Limited Spaces (for illustration see attached plan)

- 30 minute stalls – intended for drop-offs/pickups; to be located immediate to main entrances
    - Short Term (immediate to entries)
        - HealthPartners (33rd Ave) – 3 spaces
        - Hyatt (33rd Ave) – 3 spaces
        - IndiGO (80th ½) – 2 spaces
    - Long Term, Future Additions/Adjustments:
        - BCS3 and its retail (33rd Ave) – 3 spaces
        - Each new office/other primary building – 2-3 spaces depending on density/occupancy
- 2 hour – intermediate stays
    - these are to be distributed away from buildings as they are developed, with increasing distance relative to duration of time permitted

Note: the foregoing percentage mix of time limited spaces will evolve as appropriate to accommodate the increased density of development and continuing evolution of the use mix at BCS.

Enforcement

- Enforcement Measures
    - Tiered ticketing
        - 1st - Warning
        - 2nd - Fine
        - 3rd – Boot and/or Tow

- Enforcement Partners
    - Establishment of dedicated call-in telephone line for violation reporting by property management staff of:
        - HealthPartners
        - Hyatt
        - Reflections Condos
        - IndiGO Apartments
        - BCS3 Apartments
        - [additional buildings as developed]
    - Primary Oversight and Enforcement - BCS Management staff
        - Contract with Towing Company
        - Ticketing (tiered level impact warning, fine, boot/tow)
        - Towing Company to handle booting and towing and collection of associated fees

- City of Bloomington Participation – TBD
    - Follows turnover of streets to the city by the district association

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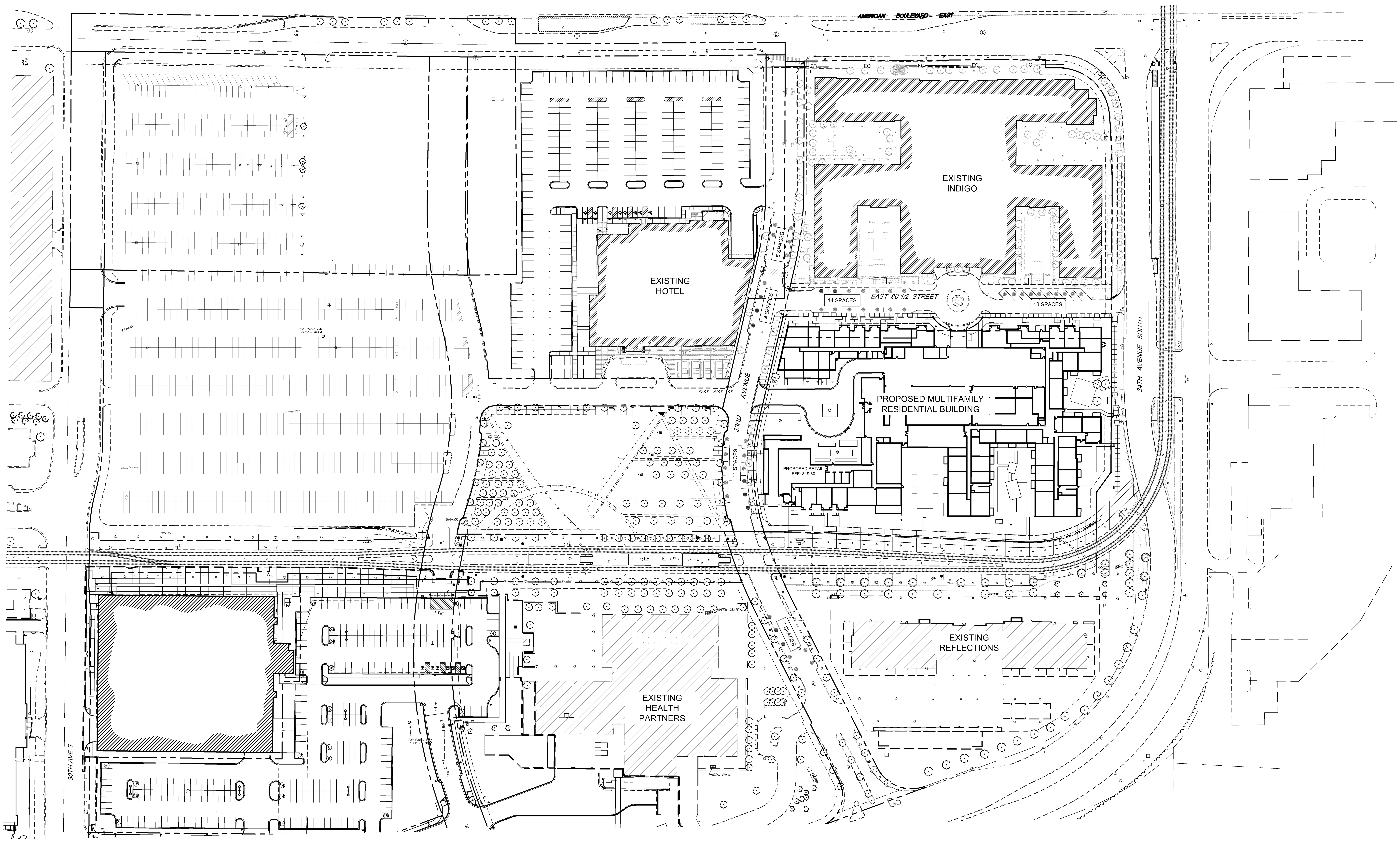
BCS 3
Multi-Family
33rd Ave S, Bloomington, MN 55425

McGOUGH

LEGEND
PROPERTY LINE
30 MINUTE PARKING STALLS*
2 HOUR PARKING STALLS*

* UNRESTRICTED PARKING FROM 10 PM TO 8 AM; SUBJECT TO ADJUSTMENT BY MASTER ASSOCIATION



NORTH

GRAPHIC SCALE IN FEET
0 30 60 120

File: .\217530_BCSPhIII_1B_justin-merkovich-ESG_Logo-AddressBlock-2585550 (002).pdf
Missing or invalid reference

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly licensed architect under the laws of the State of Minnesota

Signature

Thomas J. Lincoln
Typed or Printed Name

License # Date

Kimley»Horn

NOT FOR CONSTRUCTION

ORIGINAL ISSUE:
11/15/17

REVISIONS:

No.	Description	Date

217530.00
PROJECT NUMBER

LEC
DRAWN BY

TJL
CHECKED BY

KEY PLAN

BCS 3 Multi-Family

PARKING MANAGEMENT PLAN EXHIBIT

EX. 1

10/13/2017 10:20:30 AM

BCS3 Multifamily – Parking Management Plan

(December 2017)

Introduction

The following Parking Management Plan (PMP) is prepared as a proactive measure to address and resolve unforeseen parking demand occurrences at McGough's BCS3 Multifamily project at Bloomington Central Station. This PMP is intended both for the City's understanding in conjunction with its project review and approval, as well as, as guide for use by McGough's property management staff once construction is complete and the project is operating.

This PMP was prepared with the clear acknowledgment and contemplating that personal modes of transportation, as well as the transportation industry in general, are in the midst of substantial disruption and change. What follows is intended to illustrate both flexibility within McGough's project design and facilities, as well as a roadmap for management staff to adjust as circumstances require.

Flexible Supply - Adjustable

We note the benefit of BCS3 being designed to accommodate the majority of its parking needs within the building's structured garage allows for closer control and management of its use. In particular, the garage will include a security gate separating the public parking stalls (for guest and commercial customer) from the private, secure reserved parking for building residents.

Based upon our projections of demand, we have the flexibility to adjust the location of the gate within the garage to reduce reserved parking in order to increase demand for stalls open to guest and commercial space customers.

Special Demand Events - Community Room/Skylounge/Pool Terrace

As a matter of policy, any event or party to be held in the project's common areas, community room, skylounge, or pool terrace, shall require prior approval of building management. In addition, for parties or events which include non-resident guests, building management may require at its sole discretion that the party or event host contract with, utilize, and bear the cost of a valet parking service pre-approved by ownership throughout the party or event to ensure the use of guest and commercial visitor parking at the property is not overburdened.