



Date of Council Meeting: September 12, 2016

**TOWN OF LEESBURG
TOWN COUNCIL WORK SESSION**

Subject: Downtown Residential Parking

Staff Contact: Brian Boucher, Deputy Director, Planning and Zoning

Council Action Requested: Initiation of an amendment to downtown residential parking regulations (the McLister proposal) or consider a comprehensive examination of downtown parking issues to develop an implementation plan to address future parking needs in the downtown area for businesses, residents and visitors.

Staff Recommendation: Staff recommends that no initiation occur at this time for downtown residential parking but that the potential for greater flexibility for residential parking be addressed as part of a comprehensive examination of parking issues facing the downtown area.

Commission Recommendation: At a work session on September 1, 2016 the Planning Commission discussed general parking issues, including downtown residential parking. At the conclusion of its deliberations the Commission recommended to Town Council that discussion on Mr. McLister's proposal be deferred until a comprehensive action is taken on downtown parking.

Fiscal Impact: Potential fiscal impact from the need for the public to provide parking in the downtown area that could result from adoption of regulatory changes or increased density of commercial and residential uses.

Work Plan Impact: Staff notes there are eight (10) Zoning Ordinance amendments currently initiated and the work impact of the downtown residential parking amendment will be larger than average due to the need for research to assess the impact of the proposal. If Council directs staff to undertake a comprehensive approach to downtown parking, staff will provide a detailed assessment of work plan impact at a later date.

Executive Summary: A proposal to amend the downtown residential parking requirements was put forth by Mr. Michael McLister and an initiation memo that addressed his proposal in detail was provided for the August 9, 2016 Council meeting (see Attachment 1). The adequacy of parking and the parking regulations for the downtown area continue to be topics of discussion with multiple proposals for amending the regulations either recently approved, initiated, proposed for initiation, or potentially the subject of an initiation. Some of these appear to be in conflict and raise questions that should be addressed regarding the ultimate goal of the parking program in the downtown area. Rather than continue on a piecemeal approach to addressing issues raised regarding downtown parking, staff recommends that a comprehensive

strategy should be undertaken to combine and consider the various parking issues. This would mean a comprehensive look at parking in the H-1, Overlay, Old and Historic District, including the regulations that apply, an inventory of existing parking (both public and private), identification of concerns and issues, identification of solutions and a short term and long term implementation plan.

Background: The zoning regulations that apply in the downtown area are unique compared to elsewhere in Town because of its urban nature and historic development pattern. Simply put, much of the downtown was developed before the automobile existed. Existing zoning regulations, while complicated, are intended to provide adequate parking while at the same time provide incentive to utilize buildings while preserving the historic character of the area. The parking requirements that apply in suburban Leesburg do not apply here do to practical considerations. For example, the fact that many existing structures have no on-site parking resulted in a regulation that gives existing commercial buildings within 500 feet of a municipal parking facility an exemption from providing parking. However, if such a building does have on-site parking, the owner must maintain it or can remove it using another unique allowance for parking in the downtown: TLZO Sec. 11.4.3 Payments In-Lieu that gives developers of nonresidential uses and some residential uses in the H-1 District the option of purchasing required parking spaces by making a payment to the Town's parking fund in lieu of physically constructing new parking. The funds are used toward provision of public parking downtown. The regulations are not static and over time amendments have been adopted to improve the regulations.

Recently, the downtown area has experienced real growth with the construction of new commercial buildings at the corner of Loudoun and Harrison Streets (Leesburg Central), on Church Street (Dunlop Building) and on East Market Street (Courthouse Commons), resulting in the purchase of 75 parking spaces using the pay in-lieu option. Pedestrian friendly improvements to King and Loudoun Streets have coincided with Leesburg's emergence as a wine, brewery, and restaurant destination. For the first time in about 30 years a new, large scale multifamily project is propose inside the H-1 District at the old Waterford at King Street site to provide more local "feet on the street", while Crescent Park, another 230 residential units, is under construction adjacent to the H-1 District south of the W&OD Trail. With more visitors and residents, pressure on downtown parking will increase and so will the value of downtown land which will make purchasing land for parking creation a more expensive proposition. Other items that could affect long-term parking needs include the following issues discussed below.

- **Amendment Requests:** The utility of some of these parking regulations have been called into question and changes are often proposed. For example, in 2014 an amendment was initiated to change the parking credit for demolition of noncontributing buildings in the H-1 District. This is unresolved. Currently, Council is considering initiation of an amendment to waive residential parking requirements for any residential use in the H-1 District where it can be proven that a commercial building is being converted back to a residential use. Recently, an issue has arisen

regarding whether a restaurant owner can convert existing parking spaces to an outdoor dining area without paying the payment in-lieu fee. In January 2016 Council amended the regulations to remove the Loudoun County Parking Garage as a municipal facility, meaning that all nonresidential uses within 500 feet of it must in the future provide on-site parking or pay the payment in-lieu fee. The concern was a lack of parking in the southeast sector of the downtown reported by businesses and residents. The proposed amendment to waive residential parking for converted commercial buildings appears to be at odds with the action the Council just took in that area. Amendments have occurred in a piecemeal fashion and there is a lack of consistency and continuity between them.

- **Residential Permit Parking Program:** Currently, there are eight residential permit parking areas in the H-1 District, including one added in December 2015 and another in May 2016. For these areas, a residential parking permit is required to park between the hours of 9:00 a.m. and 5:00 p.m. In each case residents petitioned so that *during the day* the spaces would be available for residential parking, evidence that residential parking spaces are needed downtown during business hours. This restricts the availability of on-street parking for commercial and other residential users. The fewer spaces that are available for general parking on-street, the more private and other public parking facilities will be needed.
- **Payment in-Lieu:** The Town currently collects a fee of \$6,270/space from developers in the H-1 District who are either unable or choose not to provide on-site parking, or when existing parking spaces are converted to another use. The funds are required by ordinance to be used for the provision of public parking downtown, which means the money can be spent to maintain existing parking facilities. That is what funds have been used for to date except the recent rental of the land at the northwest quadrant of the intersection of Church Street and Loudoun Street to provide more public parking in the southeast sector of the downtown. Previous staff research indicated that the cost of a single space in a structured garage would be over \$20,000, so the current fee represents less than 1/3 the true cost. The Downtown Parking Task Force recommended that the payment in-lieu provision only be kept if the Town Council commits to a Capital Improvement Plan project that will increase parking capacity downtown so that developers know how their parking contribution will be used and when new parking will be created. It also recommended that the payment in-lieu fee structure accurately reflect the true cost of creating parking spaces and that the Town consider a public/private partnership to provide long-term downtown parking needs.
- **Conflict with Special Events:** During special events such as the annual Flower and Garden Show and First Fridays downtown parking can fill up to capacity. This should be taken into account when considering ordinance amendments that may reduce parking availability downtown.

- **Increased Development Potential Downtown:** Over the last several years ordinance amendments have increased the potential for development within the H-1 District. Most relevant among these is the increase in height to 65 feet in portions of the downtown, which could result in five story buildings. Greater density requires more parking. Not every developer finds it cost effective to provide structured parking on-site. To take full economic advantage of these changes in regulation, some new centralized parking facility may be necessary.

Individually the issues mentioned above may not have much impact on the current parking situation downtown, but together the longer term result could be a lack of convenient parking for visitors, employees and residents of the H-1 District and the stifling of future economic development projects. For this reason, a more coordinated and planned examination should be made of the current and future parking needs for the downtown core. This would be divided into an interim (short term) approach and a long term approach as described below.

Interim Approach: In the near term, staff would engage in fact gathering to better understand current conditions, as well as ordinance examination, analysis and even some amendments if necessary. This interim period is intended to set the framework for the long term implementation plan based on a comprehensive look at accurate data and assessments founded on that data. Components include:

- **Update the Existing Parking Inventory:** At present the Town has updated figures for the capacity of public surface lots and garages. What needs to be accurately understood is the number of on-street parking spaces, both restricted and unrestricted, and the total of spaces on private lots in the H-1 District. In order to assess the true impact of any change in the parking regulations, the amount of all parking should be known so that the effect on that total can be taken into consideration when making decisions.
- **Establish an Existing Use Inventory and Identify Development Capacity:** At present the square footage of office, retail and restaurant uses and the amount of residential uses downtown is not known with precision. This database should be created so that there can be an assessment of these uses and the impact on existing parking, helping the Town to better understand what the parking requirements should be in this urban area. An assessment of future capacity should also be made in an effort to plan for future parking needs.
- **Update Estimated Cost of A Parking Space:** The estimated cost of a surface lot parking space and a structured parking space need to be reexamined to more accurately reflect actual current costs.
- **Identify Current Parking Issues:** As noted above there are several amendments to the downtown parking regulations that may in the future or have already decreased requirements for some types of parking while increasing the requirements for others.

The parking regulations will be comprehensively examined with a goal of producing more focused provisions that better reflect the present and future needs of the downtown core. This will require outreach to and input from downtown businesses and residents, tourists, residents in the rest of Leesburg and others.

- **Identify Future Parking Demands:** Using updated knowledge of existing and proposed parking, staff will seek to answer what is a reasonable estimate of the future parking demand for the downtown area given the zoning regulations. This will also require outreach to and input from downtown businesses and others.
- **Identify Funding Sources for Future Parking:** The Town must maintain existing parking facilities and consider additional parking capacity in the downtown core. The payment in-lieu program is one source of revenue but the majority of funds will have to come from other sources. Staff will examine all possibilities and make recommendations regarding possible funding scenarios.
- **Identify Solutions:** The point of this analysis is to identify realistic solutions, both short and long term, and develop an Implementation Plan.

Implementation Plan: This period would be used to act on the recommendations developed during the Interim Approach. It is anticipated that such recommendations will include amendments to the zoning regulations regarding parking downtown and the need for future parking facilities with a plan for how to achieve them.

Conclusion: Based on these concerns, staff recommends that the existing downtown parking regulations remain in place until a comprehensive examination of parking needs in the H-1 District, including proposals to add flexibility to the residential parking standards, has been undertaken. A panel or committee to aid staff in identifying parking issues and future parking needs should be considered. Staff seeks Council's direction regarding whether such an approach should be undertaken. If Council directs such an approach, staff would return to Council at a later date for more direction regarding certain aspects of the approach and to provide more detail regarding the work plan and time frames.

Attachment:

1. Downtown Residential Parking Memo dated August 9, 2016
2. Leesburg Residential Regulations Proposal from Michael J. McLister
3. Initiating Resolution
4. List of current Zoning text and Town Plan amendments in the Department of Planning and Zoning work plan.

RESOLUTION NO.: _____

PRESENTED August 9, 2016
ADOPTED _____

A RESOLUTION: INITIATING AMENDMENTS TO THE LEESBURG ZONING ORDINANCE FOR THE PURPOSE OF ELIMINATING THE RESIDENTIAL PARKING REQUIREMENTS IN THE H-1 (OVERLAY), OLD AND HISTORIC DISTRICT FOR PROPERTIES THAT ARE CONVERTED BACK TO RESIDENTIAL USE

WHEREAS, the Town of Leesburg Zoning Ordinance was adopted with public input and for the purpose of protecting the health, safety, and welfare of Town residents and businesses by providing regulation of land uses; and

WHEREAS, the Town Council recognizes that providing reasonable parking regulations in the downtown H-1 (Overlay), Old and Historic District is an incentive to revitalization and a healthy downtown area; and

WHEREAS, the public necessity, convenience, general welfare and good zoning practice require the proposed amendments.

THEREFORE, RESOLVED by the Council of the Town of Leesburg in Virginia as follows:

SECTION I. Amendments to Zoning Ordinance Article 11 are hereby initiated and referred to the Planning Commission to consider elimination of the residential parking requirements in the H-1 (Overlay), Old and Historic District for properties that are converted back to residential use.

SECTION II. The Planning Commission shall hold a public hearing to consider these amendments to the Zoning Ordinance and report its recommendation to the Town Council pursuant the Chapter 22, Title 15.2-2204 of the 1950 Code of Virginia, as amended

RESOLUTION: INITIATING AMENDMENTS TO THE LEESBURG
ZONING ORDINANCE FOR THE PURPOSE OF ELIMINATING THE
RESIDENTIAL PARKING REQUIREMENTS IN THE H-1 (OVERLAY),
OLD AND HISTORIC DISTRICT FOR PROPERTIES THAT ARE
CONVERTED BACK TO RESIDENTIAL USE

PASSED this 9th day of August, 2016.

David S. Butler, Mayor
Town of Leesburg

ATTEST:

Clerk of Council

To: Leesburg Town Council and Planning and Zoning

Subject: Text amendment change or regulation removal of residential parking in lieu fees if a historic Property is changing use back to residential use - 11.4.

Our Historic Properties are the lifeblood of Leesburg's Historic District. All across the country, there is a transition to a commercial and residential mix in an urban renewal model. Downtown Leesburg has a tremendous opportunity to set the example and capture the incredible demand for this transformation. However, as recognized by the Virginia General Assembly, costly building regulations constrain the refurbishing of these precious assets. What's more, if a project can meet these stringent guidelines, our town has imposed yet another regulation above and beyond mandatory codes that is proving too costly, does not solve the issue it was designed to do and is a significant detriment to refurbishing these assets. This regulation also obstructs the town from providing customers/labor force/residents and stands in the way of increased tax revenues for one of the great small towns in America.

This is straight out of the 2012 Virginia Uniform Statewide Rehabilitation document.

SECTION 102 **PURPOSE AND SCOPE 102.1** Purpose. In accordance with § 36-99.01 of the Code of Virginia, the General Assembly of Virginia has declared that (i) there is an urgent need to improve the housing conditions of low and moderate income individuals and families, many of whom live in substandard housing, particularly in the older cities of the Commonwealth; (ii) there are large numbers of older residential buildings in the Commonwealth, both occupied and vacant, which are in urgent need of rehabilitation and must be rehabilitated if the state's citizens are to be housed in decent, sound, and sanitary conditions; and (iii) the application of those building code requirements currently in force to housing rehabilitation has sometimes led to the imposition of costly and time-consuming requirements that result in a significant reduction in the amount of rehabilitation activity taking place.

The parking in lieu regulation (11.4) forces property developers to pay the town of Leesburg a parking fee if a Historic rehabilitation project changes from commercial to residential (returning to its original use in most cases). Requirements include 1.5 parking spaces for a 1 bedroom apartment, 2 spaces for a 2 bedroom and the \$6,300 per spot fee is further rounded upwards (which tacks on yet another \$3,150 in fees - ex 1.5 goes to 2 etc.). It does not require any fee if a project remains commercial. To further discriminate, a commercial project must be 500 feet from a town parking facility (or procurement of other parking usage) while a residential change of use project must be 300 feet (33% less). A further bias against residential parking vs. commercial is found in "shared parking" 11.4.5 where the town alleviates parking requirements on a percentage basis for every sector except residential. This table infers a car is in a residential spot (or paid parking in lieu buy out) 100% of the time, 24 hrs. per days, 7 days per week, 365 days per year. There is no regulation relief as in other sectors. In fact, with 85% of population not working in Leesburg, one could assume a residential use most likely would be the most advantageous sector by leaving early in the morning and returning in the evening (both off peak parking times). This entire regulation is out of place and out of date in today's small town mixture of urban commercial/residential mix by stopping projects from going forward. Property developers willing to take the risk of a historic renovations (that already come with so many variables and unknowns) cannot afford a regulation that adds 10-33% additional costs to a project. If downtown Leesburg is to be at the forefront of this urban momentum, we should revisit and remove an unnecessary regulation that a) doesn't achieve its intended goal, B) adds huge costs to projects that enhance our core assets, c) prevents growth of our town revenue tax base and d) hurts our merchants.

This regulation is similar to a fine/penalty that stops projects in their concept/idea phase and a reason why little, if any, urgently needed projects don't take place. Many of our coveted properties are deteriorating rapidly because of the lack of funds to re-invest. Parking is an issue but this regulation doesn't solve the problem, doesn't provide parking and actually hurts the town's potential.

With a noble goals and objectives, sometimes regulations are out of place and need to be re-visited as market conditions present themselves. As Leesburg has grown over 320% in population since 1990, some of our building and zoning regulations have not been updated, are restrictive and are working against the trend of urban/residential mix. It takes real world situations to determine if they actually produce what they were intended to accomplish. In this case, this parking in lieu regulation penalizes the very residential mix use growth we are lacking. It may seem like a miniscule regulation but it has monumental effects on Historic projects going forward and ultimately delivers less dollars to the town and our merchants.

We have already done some fabulous changes to support this trend to include widening sidewalks, allowing outdoor dining, installing/improving bike paths et al. We need to also support refurbishing projects to maximize these investments. The demand is for nice, affordable, residential apartment's downtown is very high with vacancy rates near 0% while commercial vacancy rates are 19%.

It is obvious why most restaurants/shops close at 3 pm and many closed on Monday. Every business owner in the Historic District will echo that we need more "feet on the street" and we should remove all barriers holding us back from opportunities to provide more customers. This regulation is a direct barrier to the lack of activity meeting the demand and misses the "big picture" for both the town and merchants. Residential rehabilitation does not take away parking but it is treated as a different class than commercial rehabilitation. It is puzzling that change of use is considered a bad thing when it supports so many positive changes?

Nothing good comes from hampering residential rehabilitation projects for Historic Leesburg:

- We get less people living, working and spending money downtown
- We reduce the potential property tax assessment growth Leesburg could be obtaining with refurbished assets.
- Merchants are less successful
- We providing merchants with a smaller workforce to draw from
- We get less BPOL revenue
- People who desire to live and spend money in the Historic District are living elsewhere and spend money there
- Our local teachers, firefighters, single professionals, young couples, separated parents (who want to stay near home) live in WVA, Winchester, Ashburn, One Loudoun, Frederick, MD, instead of their first choice – downtown Leesburg, Va.
- By not maximizing revenues, property owners don't refurbish their buildings.
- Many restaurants/deli's/shops have limited hours and many close at 3 pm

Sitting in one of the richest counties coupled with the highest per capita income in the country, downtown Leesburg is in the midst of a fabulous opportunity to become the leader in the transition back to commercial/residential urban live, work and play. We discuss it but we need to act upon it. People want to live downtown, work near their home and spend their dollars in their town. Study after

study after study has indicated this transition is taking place all across America. National studies and local ad hoc committees have come to the same conclusion with neighboring cities/communities currently capturing our potential residents and new commercial tenants. Lack of demographics also do not allow us to put our best foot forward in the pursuing, recruiting and capturing of upscale merchants to complement the existing business/merchant base. As we all know, stores (both regional and national chains) look to demographics for their business model. If they don't see potential in downtown Leesburg as their best option, they opt to establish a location elsewhere in Northern, VA.

Print articles after print article (both local and regional) also detail the desire for our employees to live and work downtown only to find no supply or decent apartments. Although the theme has been upon us for quite some time, recent articles mirror the trend for both our competition and our employee's desires:

- Washington Post July 3, 2016 – Stop Saying No to Development in Your Neighborhood
- Loudoun Now June 30-July 6, 2016 – How Can Loudoun Keep its Firefighters?
- Loudoun Now July 7-13, 2016 – Nighttime Economy Committee Presents Recommendations
- Loudoun Tribune June 30, 2016 – Bill May His Way – One Loudoun one of most high profile, high visibility mixed use communities in the US.

Unfortunately, as the statistics show (see below), downtown Leesburg is not capitalizing on this trend and sadly, many of our historic assets are deteriorating or in dire need of a facelift. We could capture far more tax revenues, have enhanced and vibrant restaurants/shops from sun up to sun down and attract new tenants that want to locate to downtown Leesburg, VA. With our downtown commercial vacancy rate (19%), we could be having business' fighting over open commercial space with an improved demographic profile. Due to this regulation penalty, we are losing potential people, tenants and shops/offices are vacant.

There is no lack of desire or demand to live in downtown Leesburg, it is simply the supply of good quality affordable housing/apartments. We currently do not have enough feet on the street to support our merchants/restaurants and provide a workforce for our business community. If we had more living downtown, we have more customers for merchants. If we have merchants selling more goods and services, they make more money and tax revenues rise. If merchants make more money, business based revenue taxes rise, property owner's assessments rise and the town takes in more revenue. If they are more successful, they will put more into historic rehabilitation and old buildings will get refurbished or touched up. If we took regulations off the books penalizing property developers for converting former residences back to residences, more refurbishing would occur, more money would be spent in town, there would be a greater employee base to draw from.

[Statistics right of Leesburg Website – 2014 stats:](#)

- Only 15% of Leesburg's workforce live in Leesburg
- 62.5% of the population is of primary labor force age (20 to 64)
- Median household income is nearly double the national median – where are they spending their money?
- 85% of the workforce that live outside Leesburg and spend their disposable money elsewhere. 85 out of every 100 workers live elsewhere.

- 66% of Leesburg's workforce commutes to Leesburg from Loudoun County, Northern, VA, the Shenandoah Valley or, WVA – how many would live downtown if they had the option?
- 10,000 of Leesburg's population is single households -20%
- With 51,000+ residents, we have only 1,772 apartments (3.4%) in all of Leesburg proper. How many of these 1,772 are downtown – less than 10% of the total? How many would live, work and spend money in downtown if there was a good supply?

US Census Bureau - United States Trends are emerging:

- 36.5% rent vs homeowners – highest trend in 22 years (1st qtr. US Census Bureau)
- 65.8% under 35 rent their place to live
- 41.1% 35-44 yrs old rent
- 30.8% rent ages 44-54.

It is fair to say with a national average of 36% people leasing and Leesburg having a supply of 3.4% of apartments; we are very lopsided. With only 15% of our workforce living in our town, it is also fair to assume downtown leasing supply doesn't meet the demand.

A direct example: My commercial project at 105 Loudoun has been completed for over two months. They are 6 of the most beautiful single office suites in town with private entrances and bathrooms right in the middle of the Historic District– zero occupancy – not one contract, not one offer.

Conversely, right next door at 107 Loudoun St (Former Eiffel Tower Restaurant) there are 5 apartments (one 1 bedroom, 4 two bedrooms). We do not even have dry wall up yet, are 60 days from completion and it is almost sold out (3 of 5 units under contract). I am certain it will be completely sold out prior to completion. Pricing? Although built in 1840, it is brand new inside with 2016 amenities (electric, plumbing, roofing, paint, tile, granite counter tops, WIFI, FIOS/Xfinity ready, outdoor patio's and running on Natural Gas. It is at the average price levels for Leesburg and less than comparable Loudoun County options. Ironically, there is one office at that same property with a glass conference room and private bathroom, same amenities; zero offers, vacant.

Removal of this regulation for residential refurbishing would produce:

Historic District Positives:

1. Greater employee base for our town
2. More disposable income dollars being spent in downtown Leesburg
3. Increased tax revenues for the town in assessments
4. Increased tax revenues through BPOL growth
5. Enhanced Historic values with refurbishing projects
6. More funds for merchants to repair buildings
7. Shops stay open past 3 pm and some open into the evening to capture walkable traffic.
8. With increased demographics and spending, commercial vacancies are reduced, rents rise.
9. Recruitment/retention of different and diverse business' and shops
10. We don't lose merchants to Lansdowne, One Loudoun, Ashburn etc.

Historic District Negatives:

1. Leesburg forgoes the few parking in lieu fees it gains but economically gains in all areas above.

In conclusion, prosperity is at our door step for all; the town, our residents and our merchants. Downtown Leesburg is a great place to live, work and play. It is the posterchild of opportunity and we need to promote this and become the city we have the potential to be. All that can find a decent place absolutely love living in downtown Leesburg.

We should not have a 19% commercial vacancy rate. We should not have individuals who want to live here be turned away due to lack of supply or a beautiful place to call home. We should keep all the dollars in our town that we can. Our Historic District assets should not be deteriorating. Establishing a mixed base of both affordable and upscale living spaces for our teachers, firefighters, shop owners and professionals solves many of these issues.

The town council should remove this regulation and all detriments to this trend and it will foster growth. It is not too late to be part of this growing trend, however, we need to see the big picture of what is holding us back and have a vision of growth in this area. Some are willing to take the risk to meet this demand but under the current regulation, it is too risky, restrictive and costly to move forward.

Sincerely,

Michael J. McLister

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mclisterenterprises.net

PS - This request was not done without discussions with prominent business leaders and government officials all with the best interest of the town of Leesburg at heart. I will follow up this request with a list of personnel that would support abolishing this regulation so hindrances to growth can flourish.

Attachment 3

Current List of Zoning text and Town Plan Amendments for the Department of Planning and Zoning – August 9, 2016

- 1) Floodplain Ordinance. Initiated in 2013. Status: Restarted in June 2016 and estimated to move forward in the public hearing process this fall.
- 2) Sign Ordinance. Initiated in November, 2015. Status: Staff work is progressing and public hearings are planned for September and October.
- 3) Telecom/Small Cell. Initiated in February, 2016. Status: Public Hearing held at the Planning Commission and discussion on amendment continues. Council Public Hearing anticipated for October.
- 4) Flex Industrial. Initiated in February, 2016. Status: Town Council Public Hearing scheduled for August 9, 2016.
- 5) Planned Residential District. Initiated in February, 2016. Status: Not started. Planned to start when the Telecom and/or sign ordinance are completed.
- 6) H-2 Repeal. Initiated in March, 2016. Status: Staff work is progressing. Public hearings are planned for September and October.
- 7) Town Plan Removal of Miller Drive. Initiated June, 2016. Status: Staff work is progressing. Public hearings are planned for September and October.
- 8) Proffer Statute - Town Plan amendments. Initiated June, 2016. Status: Staff work is progressing. Public hearings are planned for late fall, 2016.
- 9) Proffer Statute – Zoning Ordinance amendments. Initiated June, 2016. Status: Staff work is progressing. Public hearings are planned for late fall, 2016.



Date of Council Meeting: August 9, 2016

**TOWN OF LEESBURG
TOWN COUNCIL MEETING**

Subject: Initiation of Zoning Ordinance Text Amendment – Downtown Residential Parking

Staff Contact: Brian Boucher, Deputy Director, Planning and Zoning

Council Action Requested: Consider a resolution to initiate amendments to the Zoning Ordinance to waive the parking requirements for properties in the H-1 District that are converted back to residential use.

Staff Recommendation: Staff recommends that no initiation occur at this time but that the potential for greater flexibility for residential parking be addressed as part of a comprehensive examination of parking issues facing the downtown area.

Commission Recommendation: None at this time. If initiated, the Planning Commission will review the amendments and make a recommendation to Town Council.

Fiscal Impact: Potential fiscal impact from the need for the public to provide parking for residential uses in the downtown area that would result from adoption of these regulatory changes.

Work Plan Impact: Staff notes there are eight (8) Zoning Ordinance amendments currently initiated and the work impact of this amendment will be larger than average due to the need for research to assess the impact of the proposal.

Executive Summary: The Zoning Ordinance requires residential uses in the H-1 District to provide on-site or approved off-site parking with the exception of a small area of downtown where required parking can be purchased using the payment in-lieu provision of TLZO Sec. 11.4.3. An owner/rehabilitator of downtown properties has requested consideration of an amendment to the Zoning Ordinance to waive the parking requirements for any residential use in the H-1 Overlay District where it can be proven that a commercial building is being converted back to a residential use. Most historic buildings in the H-1 District were all or partially residential at one time, such as the Laurel Brigade or the Downtown Saloon building. In more urbanized areas such as Arlington or Washington, D.C., on-site residential parking is sometimes not required because there are parking garages within reasonable walking distance of the residential units and many residents do not own cars because they can rely on mass transit opportunities that Leesburg does not possess. This lack of mass transit and private parking garages means residential parking is required in Leesburg because residents expect to have dedicated parking spaces and if they are not provided by developers it will become the responsibility of the public to supply them at public cost. Given the concern with parking

downtown generally this proposal should not be initiated separately but should be considered as part of a comprehensive, planned approach to downtown parking issues.

Background: TLZO Sec. 11.4.3 Payments In-Lieu gives developers of nonresidential uses in the H-1 Overlay, Old and Historic District the option of purchasing required parking spaces by making a payment to the Town’s parking fund. The current fee is \$6,300 per space. The funds will be used toward provision of public parking downtown. This option is specifically not available for residential uses except for the following circumstance (TLZO Sec. 11.4.3.A):

On lots of record existing as of February 14, 2012, measuring 4,000 square feet or less, situated between Liberty Street and Church Street and between South Street and North Street a portion or all required parking for residential uses may be provided by payment in-lieu in accordance with this section.

This provision allows a developer to convert property within this area to residential use and either provide the required parking on-site or off-site or to purchase the required spaces at the rate of \$6,300 per space. If the payment in-lieu option is exercised, the money will be used to provide public parking facilities in the downtown area. The money does not guarantee availability of any parking spaces for the residential users. Note that this provision was a relaxation of the previous rule which did not allow the payment in-lieu option for residential uses. In 2011 Town Council decided that the alternative parking provisions for non-residential uses in the Downtown, particularly the payment in-lieu, could be extended to residential uses in an effort to encourage residential conversions and development in the Downtown.

Mr. Michael J. McLister, owner and rehabilitator of several properties downtown, including conversion of portions of some properties to residential use, expressed to Town Council, the Planning Commission and planning staff a concern that the current parking requirements hinder residential conversions in the H-1 Overlay District (see Attachment 1). Mr. McLister believes that current regulations do not achieve intended goals of facilitating parking, add substantial cost to rehabilitation projects that enhance the Historic District, prevent growth of the Town’s revenue tax base, and hurt downtown merchants.

The H-1 District encompasses the B-1, Community (Downtown) Business District; the R-HD, Residential Historic District; and the GC, Government Center District. There are over 700 buildings in the H-1 District (including 508 contributing structures). The exact number is not known at this time, but staff believes the majority of historic structures contained a residential use at one time. Staff has major concerns about the request. The potential impact of so sweeping a change on parking in the H-1 District is difficult to determine and many questions arise, such as:

- What proof will be required to determine if a building has ever had a residential use? Zoning Permits or other documentation, such as compliance with Loudoun County

building code requirements, have been necessary in the past to determine whether a building has been legally used for residential purposes. This can be a very time consuming process.

- If the use was as a single-family detached dwelling, may it be divided into apartments without payment in-lieu for the additional parking spaces? For example, single-family detached dwelling requires two off-street parking spaces, whereas a building with four one-bedroom apartments requires six spaces (1.5 spaces 4 one-bedroom units = 6).
- If the footprint of an existing residence is expanded to contain more apartment units, is it intended that no parking will be required for the addition?
- Can existing parking spaces in the B-1 and R-HD District be removed through building expansions?

Second, if the property owner/developer does not have to provide any parking, whose responsibility is it? Staff believes the answer is that the cost will fall upon the taxpayers in the shape of new public parking facilities. The number of spaces that may result from such a change is not known and the idea was not discussed as part of the Downtown Parking Task Force deliberations. The Task Force's recommendation that the payment in-lieu fee be increased was actually deferred and waiving the fee appears to be counter to their recommendation.

Third, where will people park? Downtown residents with no on-site parking will have to park somewhere and staff is concerned that they will park in locations that could lead to conflicts with existing residents.

Based on these concerns, staff recommends that the existing regulations remain in place until a comprehensive examination of parking needs in the H-1 District, including proposals to add flexibility to the residential parking standards, has been undertaken.

Attachment:

1. Leesburg Residential Regulations Proposal from Michael J. McLister
2. Initiating Resolution