

**CITY OF BELLINGHAM  
PLANNING COMMISSION  
FINDINGS OF FACT AND CONCLUSIONS  
MARCH 31, 1994**

**Re: FAIRHAVEN PARKING PLAN/DISTRICT  
(PUBLIC HEARING MARCH 21)**

Overview

SUMMARY	Conceptual approval of a new parking plan for the Fairhaven Commercial District.
LOCATION	Fairhaven District (see attached map)
MAJOR ISSUES	Phasing of improvements, cost, City funding, parking demand/supply.
STAFF RECOMMENDATION	Approval with revisions.
PLANNING COMMISSION RECOMMENDATION	Approval of a phased approach for eliminating code-mandated parking. (5-0)

Applicant/Owner

John Armitstead, AIA  
1305 11th Street  
Bellingham, WA 98225

Proposal

The Fairhaven Zoning and Parking Issues/Discussion solutions proposes "...getting rid of the parking requirements in the Fairhaven District, building out as far as possible on-street parking through a private district in partnership with the City, within a certain boundary...". (See Attachment A.) Specific recommendations include:

- Establish a Parking District to remove on-site parking requirements from any use in Fairhaven, except apartment buildings and hotels.

- Extend and improve on-street parking, to provide approximately 542 spaces.
- Enhance the appearance of the area with street trees, lighting, sidewalk pavers.
- Finance this district by assessing land owners on a square foot basis, with the City paying one-third of the cost. Lien properties for a period of ten years to guarantee payment.

### **Statutory Authority**

#### Fairhaven Neighborhood Plan

"Rather than requiring parking adjacent to each building constructed or rehabilitated, substitute a required contribution to a local parking authority to develop on-grade parking in accordance with the 1973 Zervas Plan. [Staff Underlining]

#### Bellingham Municipal Code 20.12.010

"The Director shall... have the authority to waive parking requirements... when consistent with an area-wide parking plan and/or district which has been instituted together with a mechanism for providing required parking for the area or district. These plans and/or districts must have been approved by the City Council after public hearings before the Planning Commission and City Council."

### **Comprehensive Plan Designation**

(See Attachment B.)

### **Background/Prior Hearings**

#### BACKGROUND:

The most recent proposal for a Fairhaven Parking Plan/District was precipitated by building permit applications for several small, new infill buildings (1010 Harris; 4,000 square feet, 2 stories; and 1002 Harris, 7,000 square feet, 3.5 stories). The construction of these buildings has been delayed because the applicant, Ken Imus, had difficulty in providing inexpensive off street parking.

Local land and business owners (The "Fairhaven Owners") felt that the parking regulations were stifling additional development in Fairhaven and agreed to form a parking district. John Armitstead, a local architect, spearheaded this effort and submitted a proposal to the City Council in November, 1993. The Council asked staff to facilitate the development of a plan/district so that code-mandated parking, lot by lot, could be eliminated. This direction was reiterated by the new Council at a staff

briefing and update on February 22, 1994. They also asked staff to explore potential resources for City participation.

Parking in Fairhaven has been a significant issue for the last 20 years. The following chronology highlights some of the planning and public decisions during this period.

1973: The City does the Zervas Plan, also know as the Fairhaven Study, which identifies inadequate parking as a potential constraint to business growth in Fairhaven.

1976: Fairhaven Historic District designation requested from Federal Government. District is formally established the next year.

1984: The Fairhaven Merchants do the Fairhaven 1990 Task Force Phase Two: Report, which again concludes that inadequate parking is a potential constraint to business growth in Fairhaven.

1987: The City does the Fairhaven Parking Study, which builds on the information in the Fairhaven 1990 Task Force report and recommends a single mechanism to provide on and off-street parking in Fairhaven. It suggests a Public Development Authority or a Business Improvement District. The study recommends reserving the on-street parking for build-out of existing buildings in Fairhaven.

1988: The City and the Port of Bellingham sign an Interlocal Cooperation Agreement which mandates that the Old Fairhaven Parkway extension will be financed through proportional shares. The City and the Fairhaven Neighbors sign an agreement which mandates that The Old Fairhaven Parkway extension shall not be any further west, than east of the Padden Creek ravine fill at 10th.

1989: Fairhaven Historic Design Review Ordinance adopted. City also adopts changes to land use code to facilitate parking solutions for Fairhaven. BMC 20.12.010 now allows a parking waiver when consistent with an area-wide parking plan or district together with a mechanism to provide the parking.

City offers to provide \$150,000 from Revolving Loan Fund to assist Fairhaven Association in funding development of parking. Owners and merchants do not proceed with formation of a district.

## **PUBLIC HEARING**

The Planning Commission and City Council held a joint hearing on March 21, 1994 to consider the Armitstead proposal and staff recommendations.

## **TESTIMONY**

John Armitstead stated that Fairhaven has to have a parking district or it will stop growing. His plan can be done within budget if funds are spent sparsely. Most of the

funds will go to parking, some to beautification. Undergrounding is not expensive if a street is already ripped up and wires are not high-tension.

He noted that 80% of the Fairhaven Owners had agreed to pay into a fund and to accept liens against their properties.

He then discussed what would happen if insufficient parking were provided. They (property and business owners) would hear first when parking was tight. He also noted that Council had the prerogative to "call us in" and change the rules if the Fairhaven Owners couldn't find a solution. Therefore, he didn't think it was necessary to require a special parking survey in the future.

He then made specific comments on the staff report. He agreed with a priority for improving McKenzie Avenue, supported angled parking on Harris. He stated that improvement of Mill Avenue is expensive and there would be better ways to spend taxpayer money. He also recommended bulbing all intersections and providing more sidewalks, such as along 11th Street, north of Mill.

Jolene Johnson asked if her property in the Residential Multiple<sup>2</sup> could be included in the area. With duplex zoning, parking takes up half of her lot.

Tom Walstrom for Win's Drive-In said they were considering paying into the fund. They have always maintained parking as required. He asked if they would be required to participate.

Chuck Robinson of Village Books asked Council and the Planning Commission to support the proposal. He would like to see reconsideration of angled parking on Harris Avenue. Other areas have changed their rules on thoroughfares and parking. Angled parking is being used to slow traffic in some areas. He then asked why the City would develop Mill Avenue if no additional parking would result.

#### DOCUMENTS CONSIDERED

The Fairhaven Study 1973

Fairhaven 1990 Task Force Phase Two: Report 1984

Fairhaven Parking Study 1987

Fairhaven Zoning & Parking Issues/Discussion/Solutions 1993

#### **Details of the Armitstead Proposal**

Require parking only for new residential buildings and hotels.

Provide parking when needed, not when projected.

Finance this parking plan by square footage-based payments of owners, with the city paying 1/3 of the cost.

Construct parking as follows:

Phase I

Pave, curb, and place parallel parking on undeveloped streets until development, where angled parking would probably be placed. Bulb the intersections, install street trees and lights, and underground overhead wires;

Remove the arterial status from Harris west of 12th and establish angled parking.

Establish head-in parking along 10th between Donovan and Harris.

Establish 4 rows of angled parking on McKenzie 10th - 12th.

Phase II

If needed, construct a bi-level parking garage on McKenzie.

**Staff Analysis**

The City's goals for the Fairhaven historic core business district are to preserve the historic buildings and to foster a healthy business climate. The City recognized that off-street parking was not appropriate for much of the area and encouraged on-street parking, jointly used off-street lots, and the formation of a Parking Plan and District. (See also the Background/Prior Hearings Section.)

**CURRENT PARKING REQUIREMENTS**

Bellingham Municipal Code 20.12 specifies the parking required for all commercial uses. Parking standards which apply in Fairhaven include:

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TABLE 1

**City of Bellingham Parking Standards**

<u>USE</u>	<u>NUMBER OF SPACES</u>	<u>FOR</u>
Offices	1 for	each 350 square feet of floor area
Doctor & Dentist Offices	1 for	each 200 square feet of gross floor area (gfa).

Restaurants & Taverns	1 for each 75 square feet of floor area open to the public, minimum of 7 spaces
Personal Service & General Business (Retail)	1 for each 250 square feet of floor area open to the public.
Neighborhood Shopping Center	1 for each 200 square feet gfa (or 5 per 1000 square feet gfa).

**PARKING DEMAND AND SUPPLY**

The 1987 Fairhaven Parking Study stated that 496 spaces were needed for existing 1987 uses, and that these were provided: 238 on - street and 258 off - street (see map boundary for 1987 study). New development has been required to provide parking. We can assume that, based on the existing code, supply and demand are in balance. The supply today of on -street and off - street parking in the Armitstead Plan boundary is as follows:

TABLE 2

Existing Parking

Amount of Parking (# of Spaces)	
Total Supply	634
On - street	345
Off - street	289
Code-Required	168
Not Required	130

- Notes:
- Armitstead Boundary.
  - Figures are approximate
  - On-street includes informal, unimproved spaces

The 1987 study estimated additional demand of 265 spaces would be generated by renovation of existing buildings and 600 spaces for new construction, based on the parking code in Table 1. This additional demand would be for maximum build-out, which is unlikely to be achieved for many years, if ever. This creates a total demand of about 1300 spaces for full build-out of the area, or approximately 390,000 square feet of development. (Projection from 1973 Fairhaven Business District Study.) It equates to 1 parking space per 300 square feet of development.

The '87 Study concluded that the on- street supply should serve historic buildings, allowing them to be renovated. Other uses should provide peripheral parking lots to meet parking needs. The study stated that historic renovation was difficult if parking also had to be supplied.

The Fairhaven core is compact and is designed for pedestrians. Many cities reduce their parking requirements by 10 -20% for such compact development. General observation is that at holidays and other peak weekends, parking in Fairhaven is near capacity, but at any periods there are a significant number of available spaces. (No systematic, professional parking utilization study has been completed.) If we applied a 20% reduction (based on common approaches to factoring in shared parking and linked trips) to the 1300 spaces of estimated demand, we are left with a need for about 1000 spaces at full buildout. This compares to a current supply of just over 600 spaces, on-street and off-street.

The current gross floor area of development is about 182,000 square feet, or close to half of the projected maximum of 390,000 square feet. Our current parking supply, on and off-street, maintains a ratio of one space per 300 square feet of gfa. If we assumed that only 75% of the area is open to the public or 136,500 square feet (assumption used in 1987 parking study), we have a ratio of about one space to 225 square feet of area open to the public (i.e., excludes storage area, related office, etc.) This is comparable to a mix of our office and retail service parking requirements.

We have said above that the code requirement could be reduced by about 20% due to the compact and pedestrian character of Fairhaven. This translates to one space per 280 square feet of area open to the public. Therefore, the current supply of about 600+ spaces could be reduced to about 488 spaces and presumably meet demand. In summary, there is enough theoretical capacity to build on some of the off-street lots that now provide parking. (Note: In most situations where the 20% factor is applied, it would be a reduction in the code-required on-site parking. We are using the total on and off-street supply in this analysis.)

The supply also is supplemented by parking availability in areas outside of this study boundary that are within a comfortable walking distance for most people - about 1/4 mile or a 5 minute walk. This would most likely be the areas west and south of the core which involve less of a grade change than to the east.

#### **ON-STREET PARKING CONSTRUCTION**

The Armitstead Plan's location of on - street parking is reasonable and consistent with recommendations in the 1987 Parking Study. Staff has the following provisos: 10th Street is scheduled to be improved to arterial status as part of the Old Fairhaven Parkway Extension. This project is in the 1994-2000 Transportation Improvement Program, and the Public Works Department has applied for a State grant to help fund construction. No parking will be allowed on 10th south of Harris Avenue.

Public Works also opposes removal of arterial status and installation of angled parking on Harris. This approach could be workable after construction of 10th, which may reduce some of the traffic on Harris.

Renovation of unimproved spaces (graveled or dirt) to improved spaces (paved, with sidewalk, lighting, and curb) will not necessarily create new spaces. It will allow better access to spaces and easier use after dark and in inclement weather. The major addition to supply would be from additional rows of angled parking on McKenzie Avenue between 10th and 12th Streets, which has a 100' right-of-way, and new angled parking on Mill Street between 10th and 11th Streets. Parking construction will need to include provision for handicapped accessible/ barrier free stalls. Staff estimates that a net total of about 70 on - street spaces could be added within the Armitstead Plan Boundary, assuming parking on 10th south of Harris would be removed. This would establish an on-street supply of about 415 spaces.

The City's Public Works Department has reviewed the cost estimate in the Armitstead Plan. They determined that the probable cost of improvements is within \$100,000 of the \$450,000 identified in the plan, except for the unknown cost of lighting, landscaping, and the undergrounding of utilities.

How the City participates in a plan also will affect cost because of requirements to pay prevailing wages and other administrative costs created with public versus private construction.

#### **PARKING DISTRICT AND FINANCING**

The Armitstead Plan proposes a parking district, with assessment of property owners by square foot. A 10-year lien would be placed on property to facilitate the payment for parking improvements. Basic options for supplying parking (other than through code mandates) in Fairhaven are:

1. Private Lots: A private entity establishes private lots and sells parking. This could be a private parking business or the Fairhaven merchants and owners. When use of on-street parking is not at or near capacity, the financial feasibility of paid lots is questionable.
2. Private Corporation: Fairhaven property owners and/or merchants establish a private corporation, which contracts with the City to fund and build on-street parking and may ultimately develop parking on private lots. This process may be the most rapid method of providing parking and is the basic approach in the Armitstead Plan. It will not require open bidding or fair wage provisions, so it should be less expensive.

Participants may choose whichever approach is acceptable to assess themselves for parking. The difficulties will be obtaining financing and assuring payment of assessments, as has been assumed in the Armitstead Plan. The power of the City could not be used to lien property.

3. Business Improvement Area: Local businesses can form a Business Improvement Area (BIA). There is a public role in this process and governing board. The administration must either be public or assigned to a private party. There is an existing legal form for the BIA. Professional legal assistance and management are available. The City can contribute directly to a BIA. Businesses pay into the fund, so everyone who benefits, pays. Payments can be based on square footage, sales, number of employees, or some other standard set up by the BIA.

BIAs can be difficult and time consuming to set up. A longer time to set up can equal greater cost. Competitive bidding and prevailing wages are required. It may be difficult to legally link the benefit of parking with the value to people paying the fees. A new petition would be required and another City Council hearing.

4. LID: The property owners can form a Local Improvement District. LIDs are an existing, common, legal method to build public facilities. They can be voted upon. The City administers the program, providing professional legal assistance and management which is accustomed to dealing with public facility challenges. The City can contribute to the cost of improvements.

The benefit of the improvement must be linked to an increase in value of property. The key question is: will owners see an increase in value from additional on-street parking? Setting up an LID is a time consuming process, taking at least a year. The Public Works Department estimates the City's cost to set up an LID will be in excess of \$60,000. Competitive bidding is required, and additional City Council hearings.

In summary, forming a public mechanism to finance on - street parking adds cost, bureaucracy, and time to the basic objective of improving and expanding on - street parking. The most practical and cost effective method seems to be a private entity with members paying contracted amounts. The City would develop a contract agreement with the entity to make specific improvements to the on - street supply.

#### **CITY CONTRIBUTION**

The Armitstead Plan proposes the City provide one third of the estimated \$450,000 construction cost of on-street parking, -- approximately \$150,000.

Because City funds have been used in the past to provide some of the parking improvements benefiting downtown, the applicants have argued that City funds should be available for some of the parking improvements in Fairhaven. In fact, some downtown property was acquired and improved with parking facilities to serve the downtown area. Partial funding came from City revenues. This is the case with parking facilities on portions of Railroad Avenue. More recently, downtown parking

facilities have been developed using a revenue bond approach. In this case, parking fees and meter revenues are being used to retire the debt.

City participation in a Parking Plan in Fairhaven would include providing right of way for development, and maintenance and operation of the parking. Parking improvements and other facilities within the right of way (lighting, sidewalks, etc.) would be deeded to the City. Assuming a private association is formed to carry out this work, the City would work with the association and other affected parties in developing and applying regulations which affect the on-street parking.

If the City Council wishes to participate through direct funding of capital improvements, staff has identified the following sources:

#### General Fund

We cannot provide funds directly to the Fairhaven Owners, a private entity, from the General Fund to help finance the total project. We can directly finance a street improvement. All normal public works and prevailing wage requirements would apply. A budget amendment would have to allocate funds for a project by reducing funding in other General Fund Projects or programs. This is a policy decision for the Council to make.

#### City Street Fund

The fund is supported by sales and gasoline tax collections. The Fairhaven improvements are eligible projects. Again, it would require reallocating funds from other projects.

#### Community Development Block Grant Fund (CDBG)

The City's CDBG Program identifies target areas within which public facilities and improvements can be carried out with CDBG funds. A portion of the Fairhaven Study Boundary north of Harris Avenue and west of 12th Street is included in the eligible target areas. Public improvements on Mill Street between 10th and 11th would, therefore, be block grant eligible.

If CDBG funds are to be used, funds could be reallocated from the existing Business Revolving Loan Fund (BRLF). This fund was set up to provide loans for business growth and expansion which meets CDBG job creation objectives. The reallocation process involves an initial recommendation from the Community Development Advisory Board (CDAB) followed by a separate public hearing before the City Council and Council action.

## **ADDITIONAL FINDINGS\SPECIFIC FACTS**

1. According to the Public Works Department, the municipal code does not permit angle parking on an arterial street. Harris Avenue is a designated arterial.
2. It may be possible to construct the Fairhaven Parkway extension route along 9th Street rather than 10th Street. Cost is unknown at this time as well as geometrics. It will take some time to determine feasibility and support of the Fairhaven Neighbors.
3. Improvement of Mill Street at an estimated \$160,000 is expensive, partly because of the need for a retaining wall, and will provide only a small number of additional parking spaces. The improvement would provide aesthetic benefit.
4. A plan needs to be financed by private capital to be a district wide parking plan.

## **CONCLUSIONS**

1. The Fairhaven Business District can benefit from the removal of parking requirements to facilitate renovation and infill development.
2. If there is a parking problem in the future, that will be communicated through the political process. Special Agreements about future parking studies are not necessary.
3. It is reasonable to include the Southport Clothier property on Mill Avenue in the district boundary. The ramifications of any significant expansion of the boundaries have not been evaluated.
4. It is important to gain additional parking through expenditure of public funds. Other improvements should be secondary.
5. It is reasonable to eliminate certain parking requirements prior to the formal organization of a parking district to encourage redevelopment.

## **RECOMMENDATIONS**

1. Prior to the formation of a district to fund on-street parking:
  - eliminate the parking requirement for renovation of existing buildings;

- allow parking waiver for construction of infill buildings with a footprint of 5,000 square feet or less, if equitable fees assessed on square footage or per unit basis are paid to a fund for on-street parking. These buildings should not displace parking on code-required lots.
- 2. Expand the boundary to include the Southport Clothier's site as requested by the property owner (Lots 5 and 6 of Block 17 of the Amended Plat of Fairhaven).
- 3. Spend funds on those alternatives that yield the most additional parking.
- 4. Release code-required lots after construction of on street parking.
- 5. After approval of a funding plan eliminate code requirements for all uses except new residential and hotel buildings above the 5,000 square foot footprint.
- 6. Allow the political process to determine when there is a need for additional parking in the longer term.

ADOPTED this April 11 day of, 1994

*Allyson J. Wherry*  
Chairperson

ATTEST: *P. Tomason*  
Recording Secretary

APPROVED AS TO FORM:

*R. Ann Sturwahn*  
Office of the City Attorney

## APPENDIX TO FINDINGS

### STAFF/TECHNICAL REVIEW COMMITTEE RECOMMENDATION

1. Support of the basic Armitstead Plan concept with modifications. Analysis of supply/demand shows that requirement could be reduced.
2. Recommend City participate through funding of a specific street improvement with reallocated CDBG Business Revolving Loan Fund monies. CDBG eligibility area is north of Harris Avenue. Public Works has evaluated cost of diagonal parking on Mill Street between 10th and 11th Streets. The estimate is \$160,000. (See Memo from Tom Rosenberg, Attachment C.) This would provide about 30 improved parking spaces, along with sidewalk, curb/gutter and lighting.
3. Responsibility for on-street improvements
  - City improves Mill Street, 10th - 11th.
  - Private parking improvement entity improves McKenzie Street from 12th to 10th; 11th north of Mill on west side, improved by adjacent property owner with redevelopment (currently is a requirement of a Planned Contract or could be partly improved by the private parking entity); on east side most property is developed, more long term, lesser priority improvement.
  - 10th between Harris and Mill--improved with redevelopment by adjacent property owner, or could be added to scope of improvements by private entity (some link to City improvement of Mill).
  - Diagonal parking on Harris Avenue may be considered after construction of Fairhaven Parkway extension on 10th Street.
4. Phasing out of code requirement
  - New residential buildings and hotels are required to meet code requirements. Upper floor residential in infill buildings under 10,000 square feet could be exempt.
  - After Council adoption of plan and signing of agreement with private entity and surety or bond for improvements, all existing buildings may be renovated without code requirement; small infill primarily retail buildings (e.g. 2 story, 10,000 square foot limit) could also proceed.
  - After construction of parking on McKenzie, can release code required lots (See Attachment D.) Improvements on this street add the primary additional capacity to the on-street supply.

- If evidence of parking problem in future, City and private entity sponsor parking utilization survey and determine course of action (e.g. metering, peripheral lots, parking structure); if survey shows parking is at capacity use, and agreement cannot be reached on providing and funding appropriate parking, a code requirement may need to be re-evaluated, or approval of new building permits delayed.
- District businesses may want to consider a BIA approach to manage special aesthetic improvements and parking needs in the longer term.

## 5. Next Steps

- If City Council approves the parking plan, work with private entity being formed to develop a contract and design scope for priority improvements to McKenzie Avenue and Mill Street.
- Private organization must complete incorporation process and get formal commitments from owners and/or merchants. (See Draft Articles of Incorporation submitted by applicant, Attachment E.)