



PLACEWORKS



# Downtown Steering Committee Meeting #8

*City of Livermore | June 29, 2017*

# Overview of Key Background Information

- » Downtown profit and loss
- » Traffic and parking
- » Hotel financial feasibility
- » Hotel design considerations
- » Conference facility considerations
- » Retail uses
- » Housing
- » Open space
- » Pedestrian circulation
- » Skyways/walkways
- » Urban fabric



# Consultant and City Experts

- » Greg Davidson, NBS
- » Cheri Sheets, City Engineer
- » Russ Branson, PFM
- » Burton Miller, Hornberger + Worstell
- » Suzanne Mellen, HVS
- » David Zehnder, EPS
- » Mike Pyatok, Pyatok Architects
- » Greg Tung, Freedman Tung + Sasaki



# Profit and Loss

**Downtown  
Expenses \$1.76M**

- Police
- Fire
- Maintenance
- Landscaping
- Pavement
- Claims
- Parking Garage



*Difference  
\$400,000*

Even the Outlet Malls only generate excess revenue of about \$1 million per year

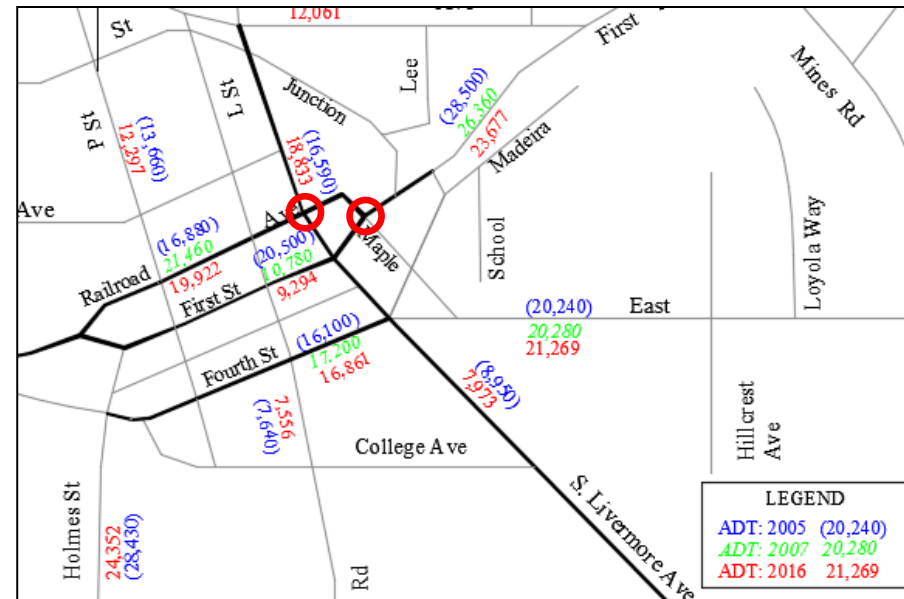
**Downtown  
Revenue \$1.345M**

- Property Tax
- Sales Tax
- Business License Tax



## Traffic After SR 84 Relocated

- Downtown traffic has remained constant, and has decreased slightly
- Two key downtown intersections operate at Level of Service D (45 seconds delay):
  - Railroad Ave and Livermore Ave
  - Maple St and First St
- Remaining downtown intersections operate at acceptable levels

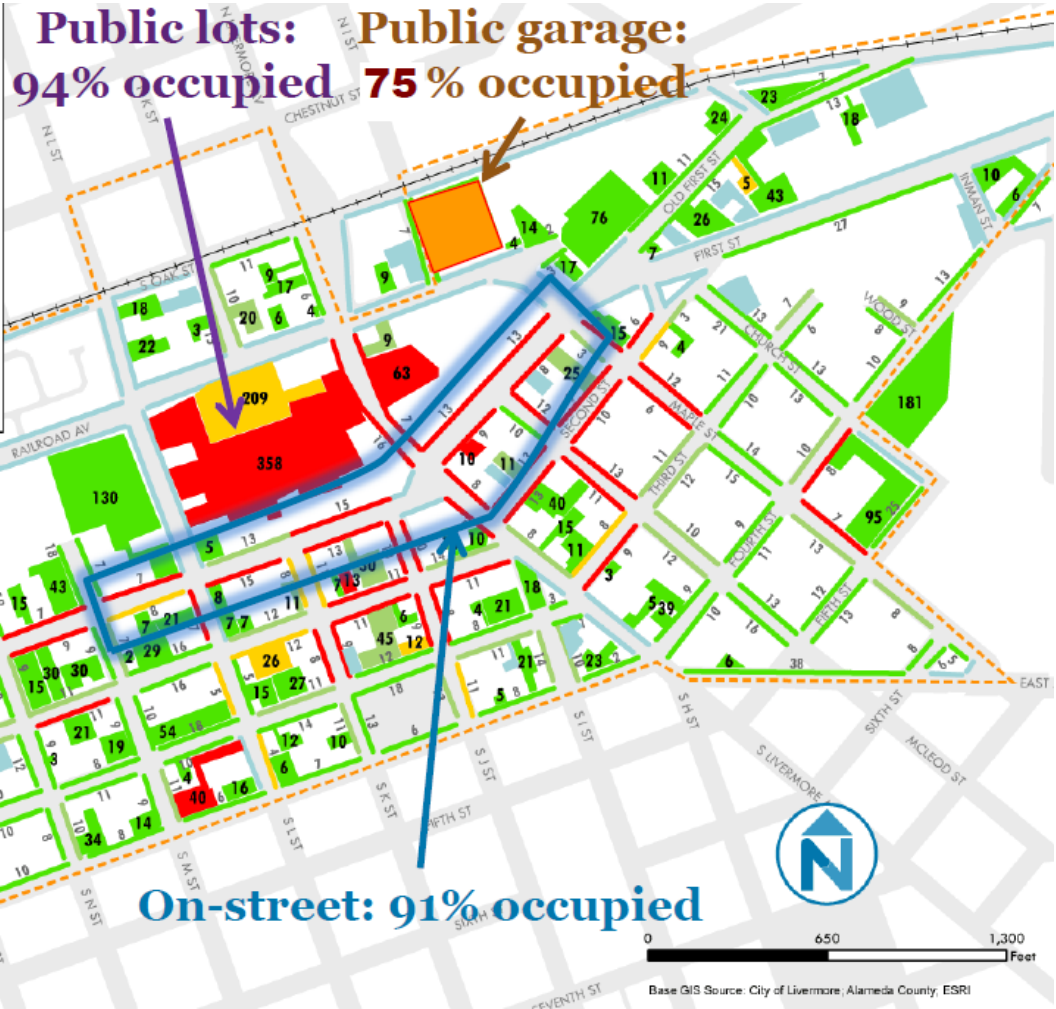
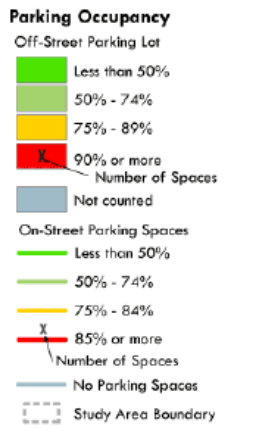


# Existing Parking Use

	Thursday Noon to 1				Saturday 7 to 8 pm			
Parking Type	Inventory	Demand	Available	Occupancy	Inventory	Demand	Available	Occupancy
On-Street	1,735	1,086	649	63%	1,735	1,117	618	64%
Off-Street (Public)	1,140	676	464	59%	1,140	1,140	0	100%
Off-Street (Private)	2,422	1,131	1,291	47%	2,422	845	1,577	35%
Total	5,297	2,893	2,404	55%	5,297	3,102	2,195	59%

Note: The two hours analyzed in the parking study were chosen because they represent the times on a weekday and a weekend with the highest parking demand.

# Existing Parking Use



- Peak core parking is highly utilized
- Parking is generally available on 2<sup>nd</sup>, 3<sup>rd</sup>, and 4<sup>th</sup> Streets

# *Parking Displacement*

- Development will displace 565 Spaces
  - 293 Paved Spaces Livermore Village Site
  - 209 Unpaved Livermore Village Site
  - 63 Paved Spaces on East Side of Livermore Ave
- 63-space Madden parking lot associated with Uncle Yu's will remain



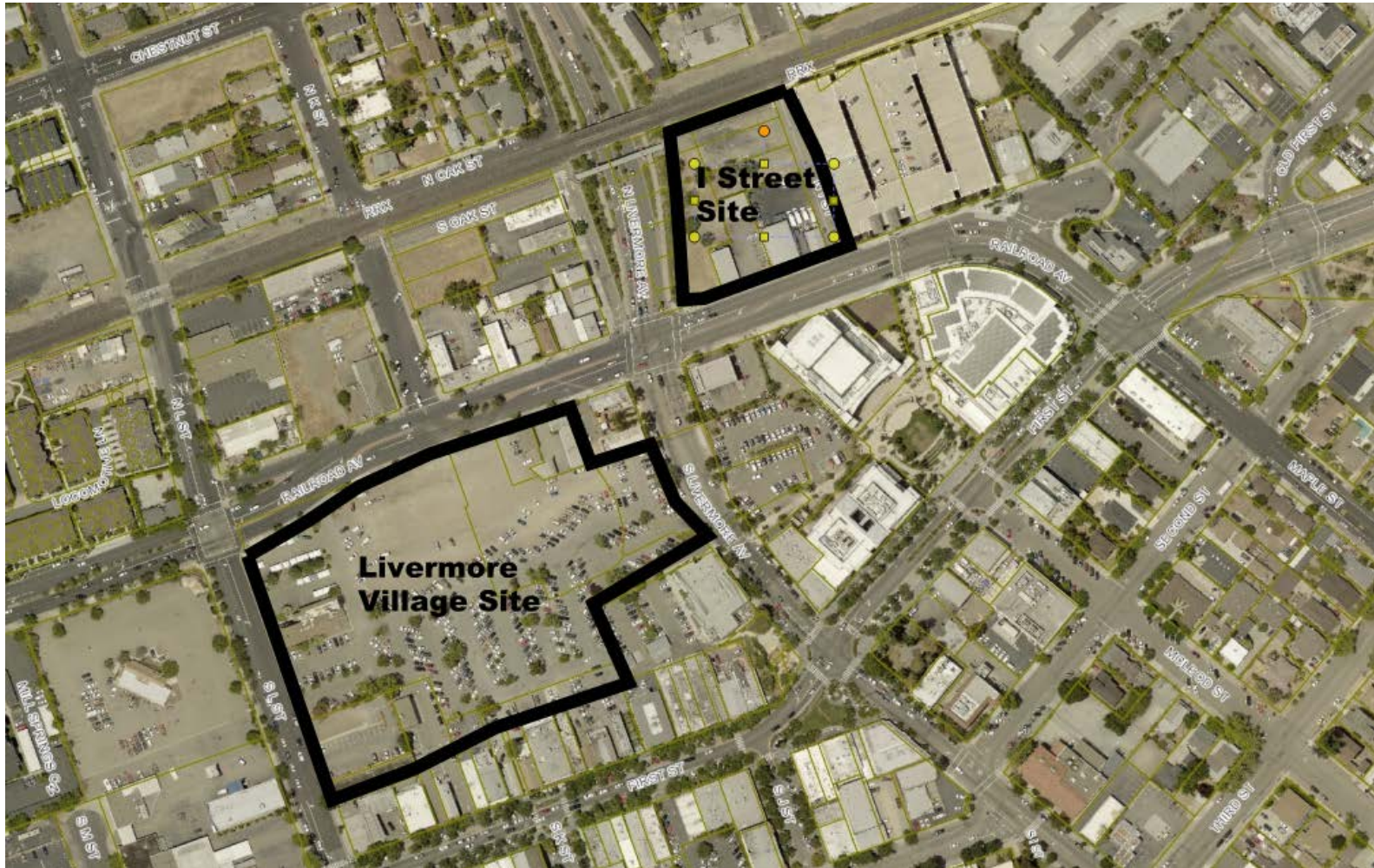
## *Parking Needs*

Lennar and Presidio proposal required the following parking spaces per City requirements:

Land Use	Quantity	Parking Spaces
Hotel	135 rooms	149
Retail	16,000 SF	53
Restaurant	6,000 SF	20
Conference Center	4,000 SF	80
Multi-family Housing	260 Units	410
TOTAL		712

# DOWNTOWN STEERING COMMITTEE

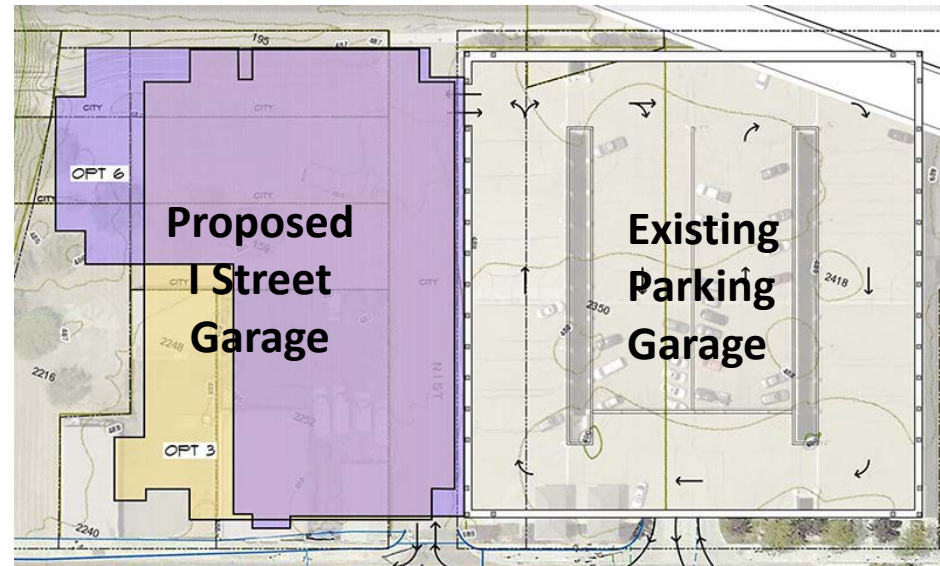
## *New Public Parking Garage Sites*



# DOWNTOWN STEERING COMMITTEE

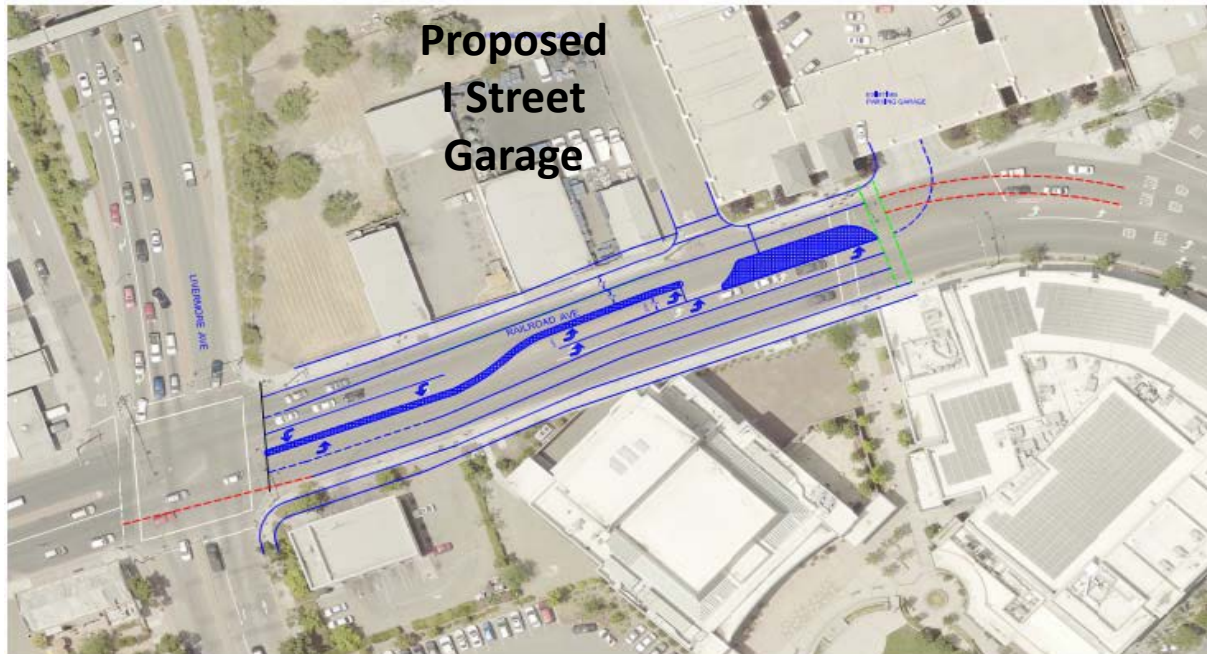
## *Preferred I Street Parking Garage Options Studied*

	Option 3	Option 6
Levels	3	3
Structure Height	23	23
Structure Square Footage (SF)	137,420	140,300
Stall Quantity (Self Only)	375	375
Stall Efficiency (SF/Stall)	366	374
Total Project Costs (Land + Design + Construction)	\$16.2 Million	\$16.9 Million
Cost Per Stall	\$43,200	\$45,100



# DOWNTOWN STEERING COMMITTEE

## *I Street Parking Garage Queuing Capacity Analysis*



- The I Street parking garage size is limited to 375 spaces based on queuing capacity on Railroad Avenue during the peak period.
- This is a function of parking location, distance from the intersection, and total downtown demand. Capacity issues would not be reduced by eliminating valet parking.

# DOWNTOWN STEERING COMMITTEE

## *Livermore Village Parking Garage Options Studied*

	Site 1	Site 2	Site 3	Site 4
Height	54 ft	43 ft	54 ft	-15 ft
Parking Stall Quantity	500	500	500	500
Commercial Option?	No	Yes	No	Yes
Total Cost	\$20.10 M	\$19.77 M	\$19.46 M	\$27.71 M
O&M Costs	\$130,000	\$130,000	\$130,000	\$225,000



# Mid Block Intersection

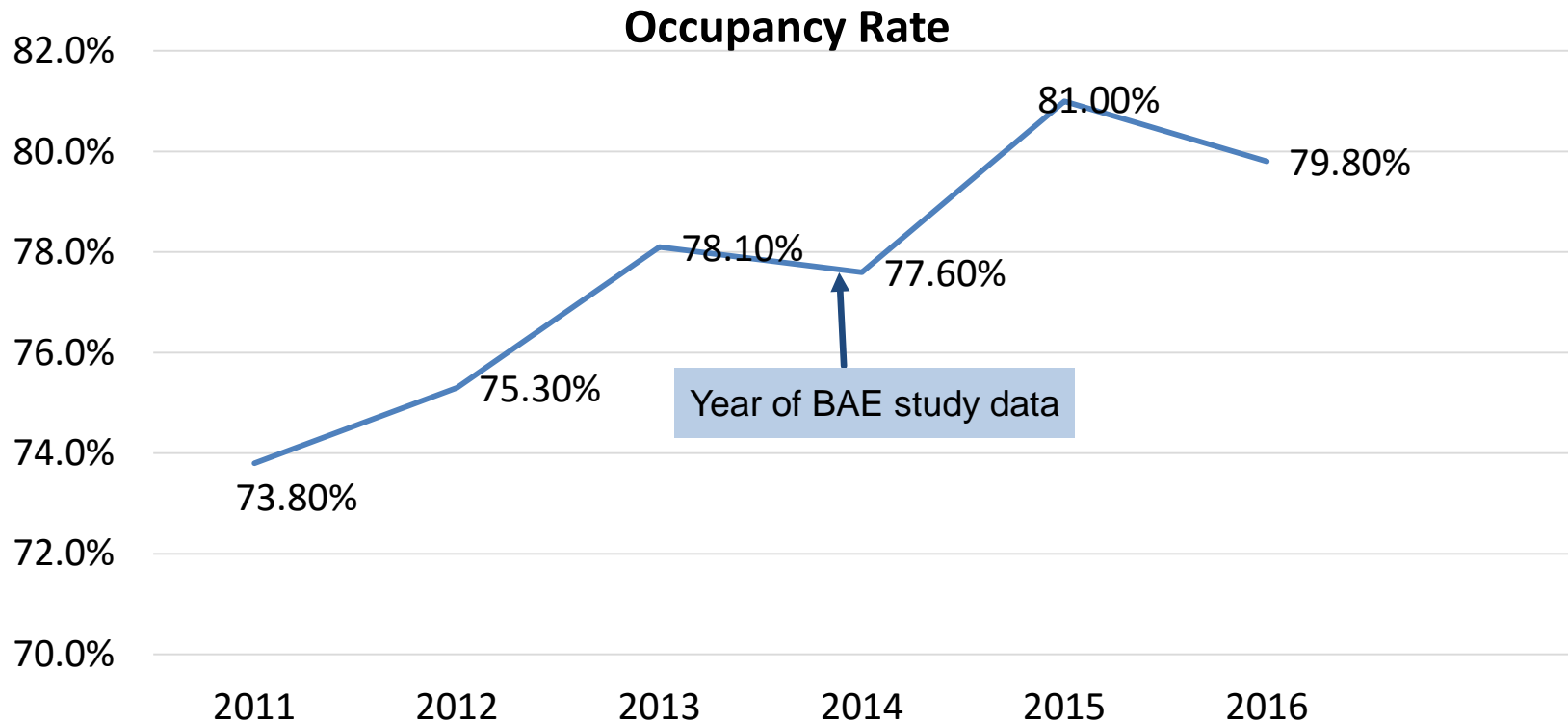
## Livermore Avenue @ Driveways to Bankhead and LV Parking

	Existing Conditions	Eastside Hotel with Valet*
LOS – Livermore Avenue North/South	A(<10s)	A (<10s)
LOS – Driveways East Side & West Side	C (16s)	C (21s)

\*Left and right turns are currently allowed and would continue to occur.

# Hotel Occupancy and Rates

- Occupancy rates have also continued to climb since the 2014 data used by BAE
- The 2016 occupancy rate of 79.8% represents strong demand in the region
- Year-to-date occupancy--as of March 2017 is 78.3%

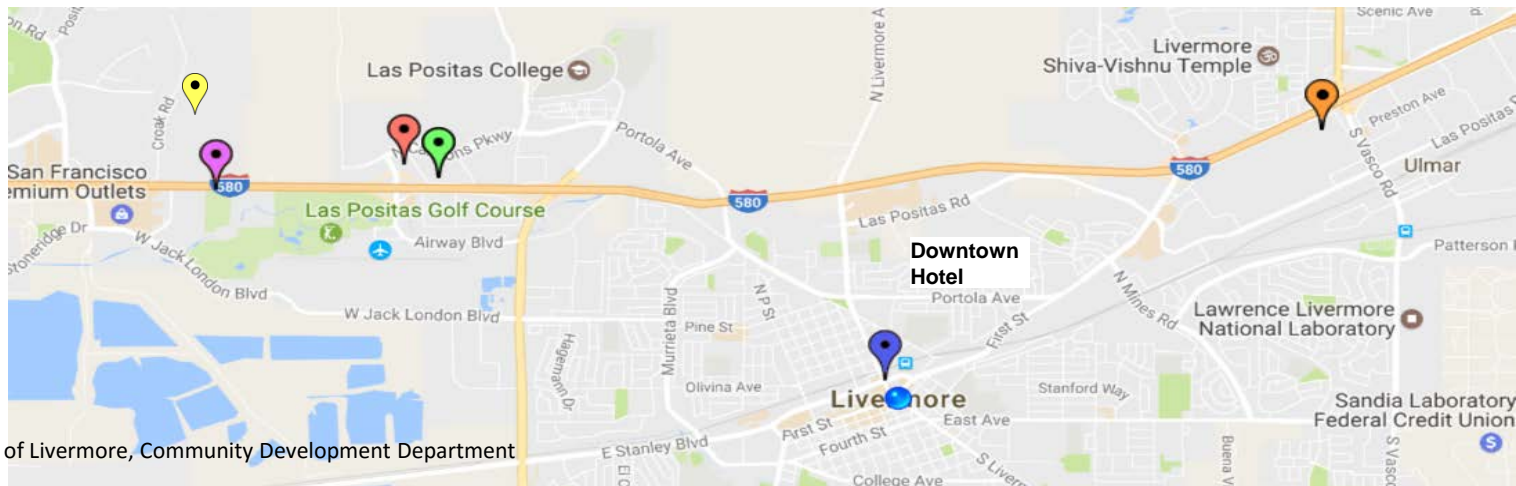




# Upcoming, New, and Proposed Hotel Projects

Increased ADR and occupancy rates have increased interest in hotel development in Livermore, as shown below—  
**599 hotel rooms being constructed, approved, or under review in the City (443 net)**

-  Under Construction
  - Home2 Suites by Hilton Livermore (108 Rooms) – Replacing Comfort Inn (60 Rooms)
-  Approved
  - Residence Inn at CrossWinds Commercial site (112 room hotel)
-  Under Review
  -  Hyatt House (126 rooms) and Hyatt Place (94 rooms) – replacing current Residence Inn (96 rooms)
  -  Mission Boutique Hotel (58 rooms)
  - Homewood at Crosswinds Commercial Site (101 rooms)
- Dublin: 127-room Aloft hotel broke ground on April 18<sup>th</sup> Pleasanton: Potential Johnson Drive development – no proposal



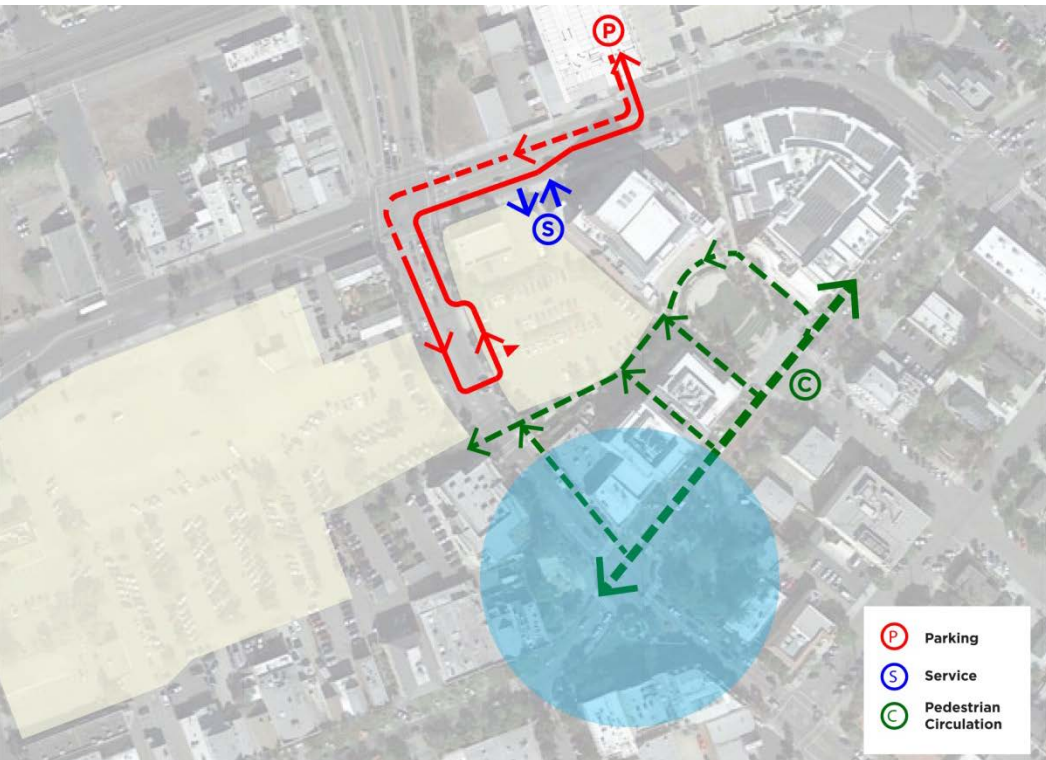


# Hotel Feasibility and Location

- **Costs.** Hotel cost for feasibility analysis is approximately \$225,000 per room (excluding parking and land cost). This includes hard and soft costs and estimated financing costs.
- **Market Feasibility:** Increasing ADR and hotel occupancy are good indicators of market feasibility. A downtown hotel can offer a different set of amenities and experience that provides a unique position in the market, even among a growing number of hotel competitors in the City.
- **Dual Branding:** This concept is appropriate for freeway-access hotels, but not in the downtown where a boutique hotel makes sense.
- **Location:** Hotel should face onto Livermore Avenue for maximum visibility
- **Financial Feasibility:** Assumed revenues and costs indicate a financially feasible project for a Downtown Hotel.
  - Based on PFM's financial model, a 100- to 135-room hotel could have **an internal rate of return (IRR) at or above 10%** (varies based on assumptions used for key market indicators and cost)

**A 100-125 room hotel is feasible assuming zero land cost and parking assistance**

# East Side – Access, Circulation, and Design

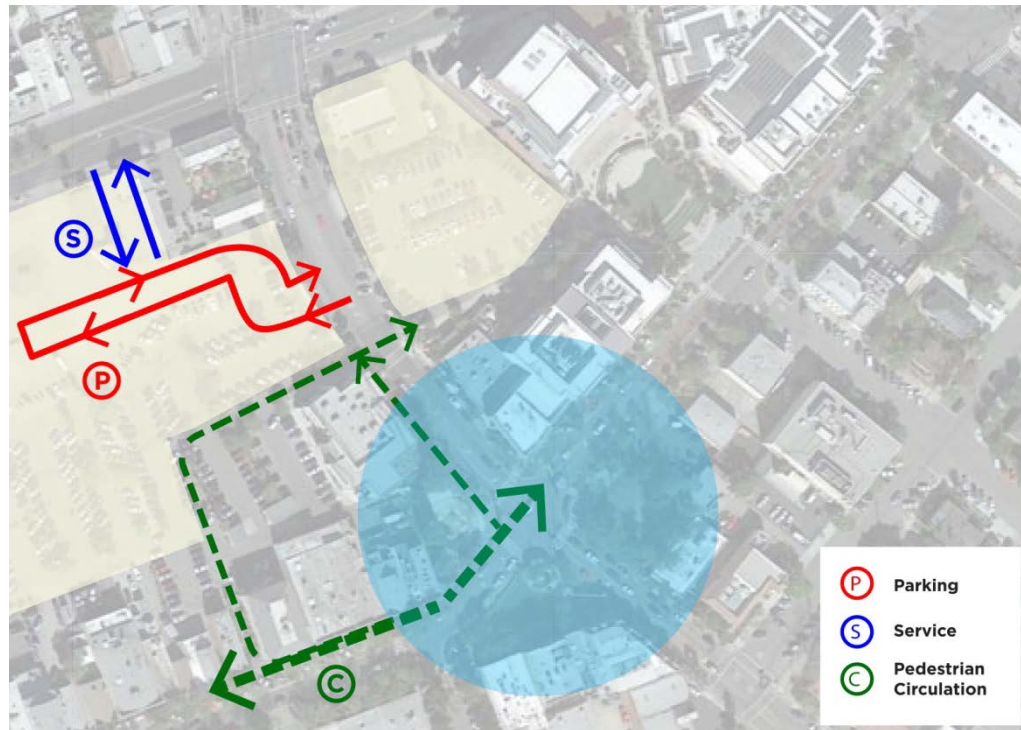


- (+) Wide Livermore Ave Street Frontage
- (+) Excellent visibility from Livermore Ave, even north of railroad underpass
- (+) Strong connections to and from Bankhead Theater and adjacent shops
- (+) Service access from Railroad Ave



- (-) Some view blockage to south and east
- (+) Adequate parking supply at I Street Garage via valet
- (+) No adjacent uses to create potential incompatibilities
- (+) Stand alone site enhances developer certainty

# West Side – Access, Circulation, and Design



- (-) Narrower Livernore Ave street frontage, especially if open space also fronts on Livernore Ave
- (-) Moderate visibility from Livernore Ave south of Railroad Ave
- (-) Weaker connections to Bankhead Theater and adjacent shops
- (+) Service and parking access from Railroad Ave

- (+) Views are relatively open
- (+) Option to build self-contained parking on site
- (-) Adjacent residential uses could be problematic
- (-) Larger site could create uncertainty for developer

# Conference Facilities

- **Conference facility size needed for 125 person event:**

Theater	Reception	Banquet
1,126 sf	1,184 sf	1,504 sf



Source: Hilton.com, similar data available from multiple other websites.

- **Presidio's current proposal is for a 1,500 sf conference facility**
- **Market support is for maximum of 1,000 to 1,500 sf**



# Retail Uses

## Types

### Experiential

- More services, less goods
- Fitness trends

### Concept grocery

- Healthy, fresh, fast
- Experience
  - Café
  - Taproom

## Quantity

Retail is best positioned downtown as ancillary ground floor use, with locations favoring high visibility

- Unless accompanied by new residential and a hotel, new retail demand is essentially zero
- Overall demand related to new housing might be 15,000 to 20,000 square feet per 500 units
- Overall demand related to a 125-room hotel might be 5,000 to 10,000 sf
- Minimum viable retail is 10,000 to 12,000 sf

## Location

- Should be located on main streets and near other retail
- Avoid stand-alone or pedestrian-only locations



# Museum and Gallery Observations

## Example museums:

- Blue Line Arts – Roseville
  - 4,500 sq. ft.
  - \$233,000 annual budget
  - 3 staff members
  - Operating deficit \$120,000
- Hayward Area Historical Society
  - 17,000 sq. ft.
  - \$1.2 million annual budget
  - 11 staff members
  - Operating deficit \$300,000

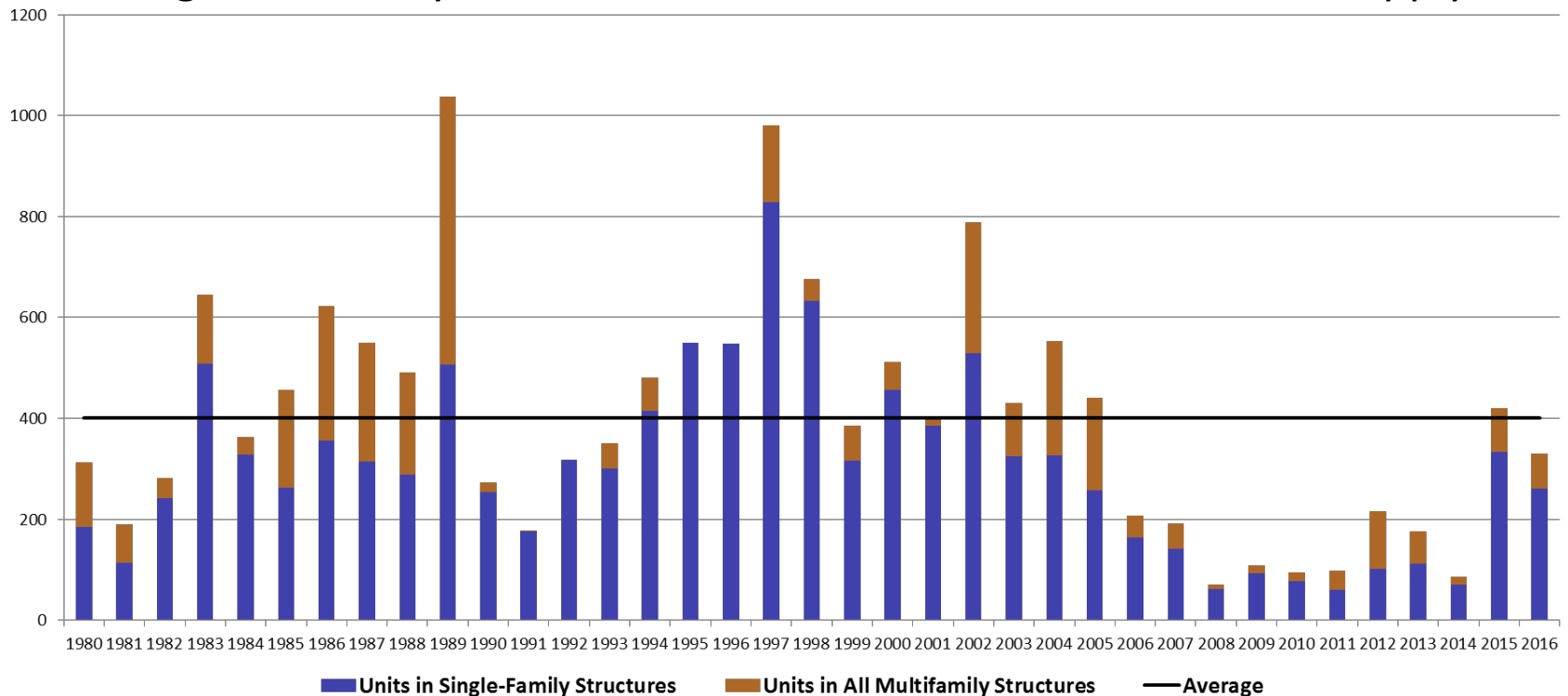
## Example museum costs:

- Example size: 5,000-10,000 sf
- Construction cost: \$500 - \$1,000 per sf
- Exhibit cost: \$1-2 million
- Total cost: \$3.5-12 million



# Housing Supply

- Livermore's existing housing breakdown:
  - 81% single family
  - 19% multifamily
- No market rate apartments have been constructed since 1998
- Rising multi-family rents indicate more demand than available supply



# Residential - Market Trends to Watch

- Major increase in nationwide household formation
  - 2016 to 2025 anticipate 12.5 million new households
  - 2006 to 2015 only saw 7 million new households
- Greatest increase in young adults (born 1980s and 1990s)
- Wave of adults aged 65 or older
- Suburban cities to form most new households



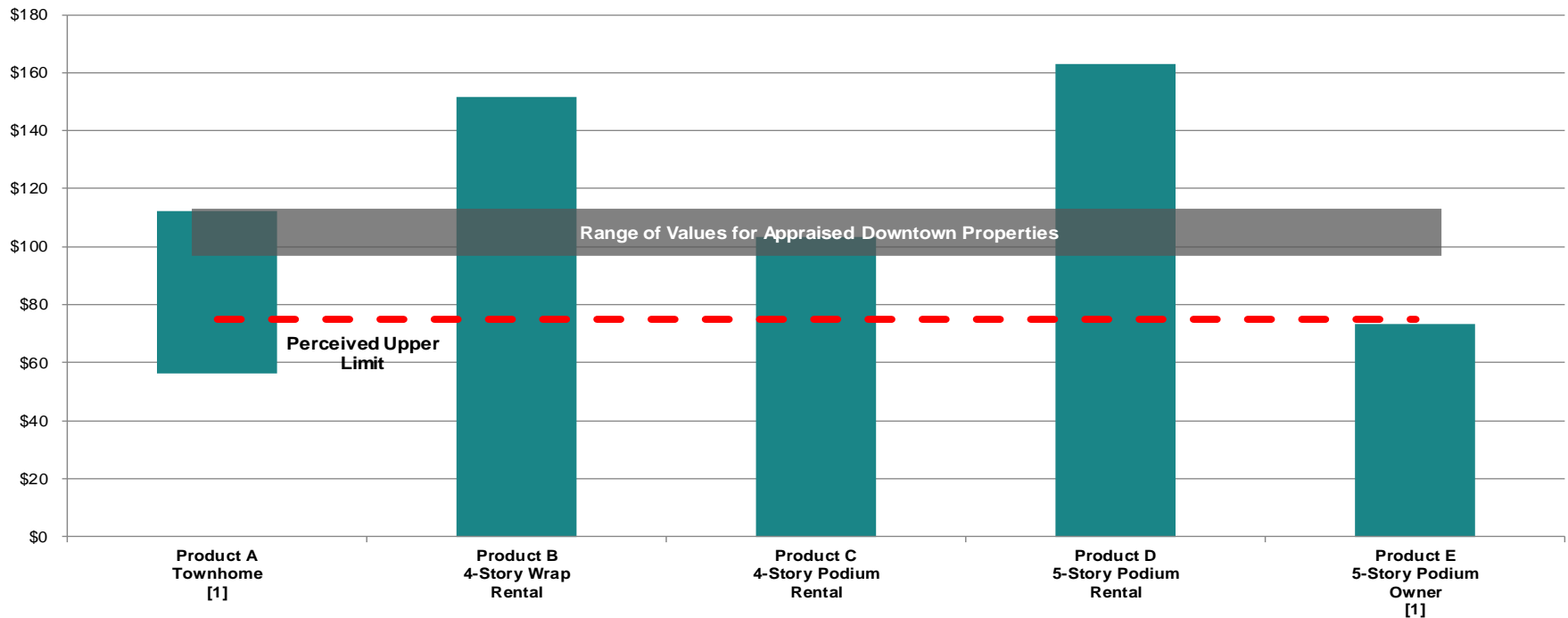
# Approved and Planned Downtown Housing

- **Chestnut Square Project includes 158 units:**
  - 72 senior units
  - 42 rental apartments
  - 44 market-rate (for sale) townhouses
- **Groth Site proposal includes:**
  - 220 housing units
  - 12,000 – 15,000 sf commercial
- **Other potential downtown housing sites would require substantial redevelopment including the removal of existing uses and structures**



# Residential: Feasibility Analysis

- Townhomes and rental apartments are all feasible
- Townhomes are more proven as per residual land value
- Apartments have more uncertainty, but bigger upside



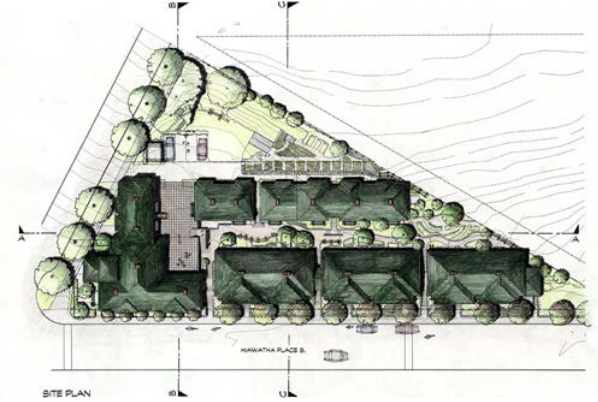
Source: CoStar; The Gregory Group; Loopnet; Nelson & Nygaard; The Victoria Transport Policy Institute; Donald Shoup; EPS.

[1] Product A and E: Assumes In-Lieu Low Income Housing Fee of \$19.95 per building square foot instead of must-build requirement.

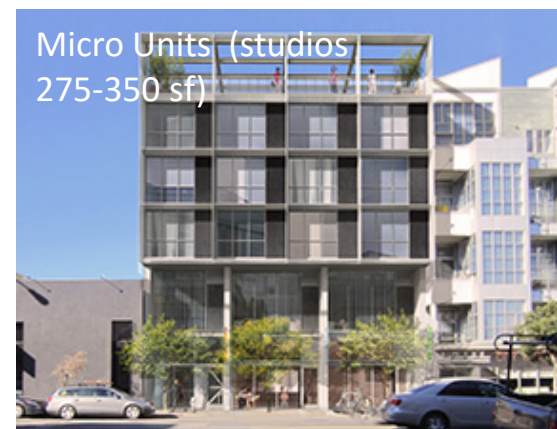
# Affordable Housing Requirement

- City used \$14 million of affordable housing fund to purchase downtown site
- If affordable housing is not built on site, City will have to repay housing fund
- Value of land per affordable unit = \$80,000
- Rough estimate of housing needed to avoid repayment:  
175 units @ \$80,000/affordable unit subsidy = \$14 million

# Alternative Housing Types



# Alternative Housing Types

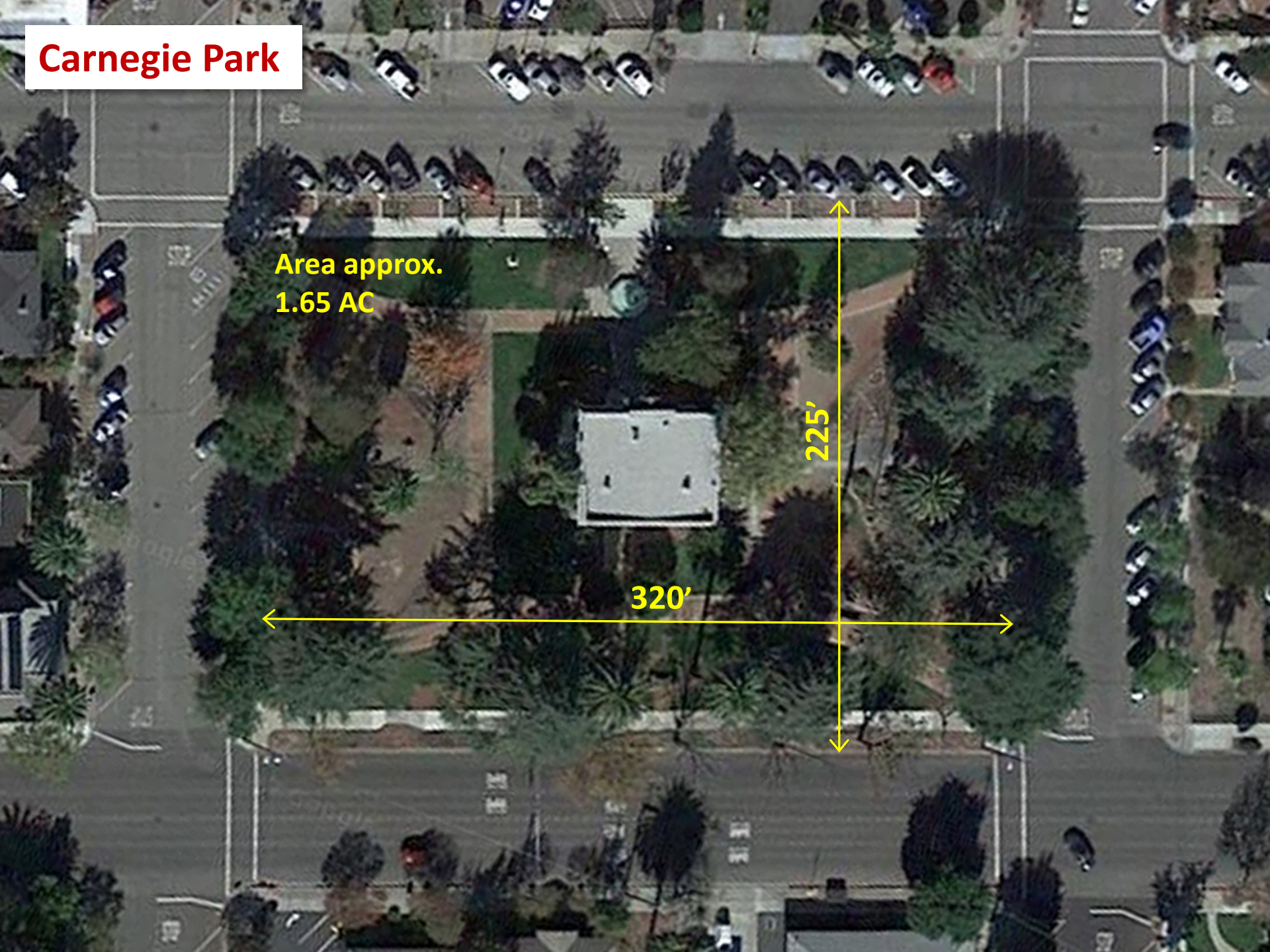


# Carnegie Park

Area approx.  
1.65 AC

320'

225'



# Core Open Space – Typical Sizes

Lytton Square, Palo Alto, Approx Area 0.23 ac

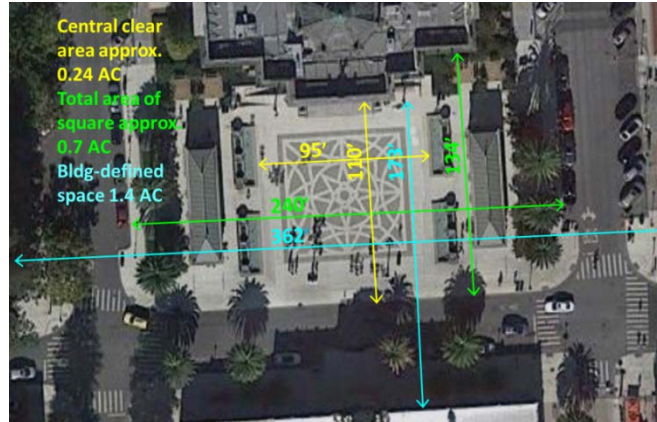


One Colorado Plaza, Pasadena, Approx Area 0.28 ac



# Core Open Space – Typical Sizes

Courthouse Square, Redwood City, Approx Area 0.7 ac



Healdsburg Plaza, Healdsburg, Approx Area 1.2 ac





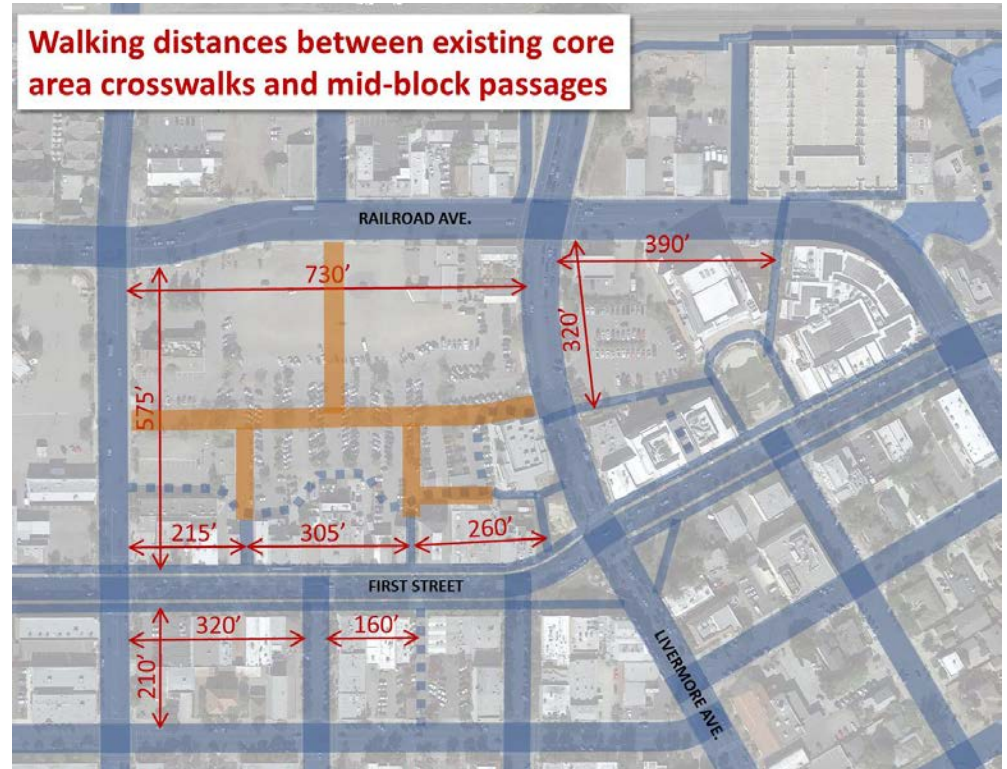
# Open Space Provision

- » Housing is required to supply 150 sf of open space per unit, which must be maintained in perpetuity
- » 150 units results in ½ acre of open space
- » Additional open space could be constructed and maintained using public resources
- » Open space should be designed with both use and aesthetics in mind



# Pedestrian Walking Distance and Connectivity

- Standard block size to encourage walking is 210' x 320'
- New development should subdivide big block
- Pedestrian connectivity is key



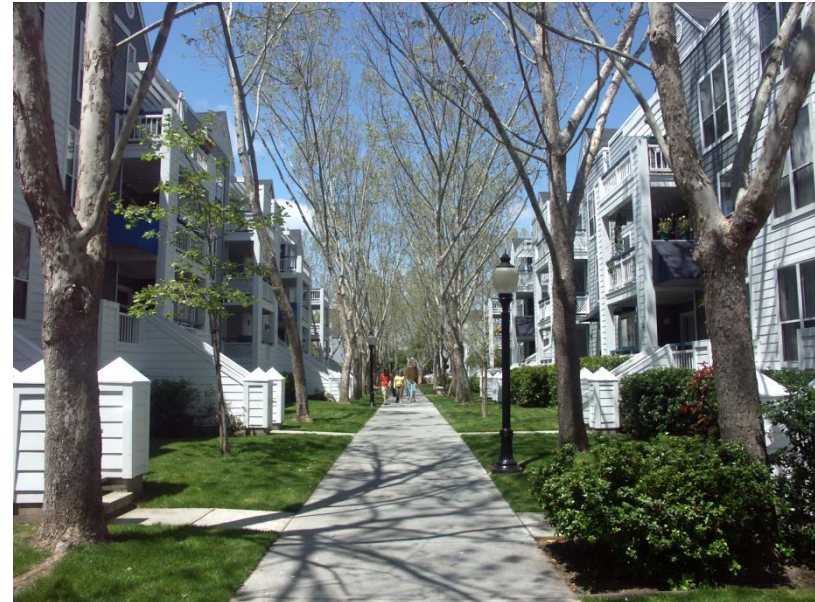
# Skyways and Skywalks

- **Pedestrian bridges over streets:**
  - **Most American pedestrians avoid unless no other choice**
  - **Removal of street life is not beneficial to downtown revitalization**
- **Elevated walkways:**
  - **Can rob streets of activity, unless there are lots of pedestrians already**
  - **Trees are feasible but need significant maintenance**
  - **Underside space can be dark, may need more amenity to overcome**
  - **Does the “artifact” match and complement the place character?**
- **An alternative to pedestrian bridges is to transform the arterial into a more “tamed” walkable city street (with tree canopies, etc.)**



# Downtown Housing as Urban Fabric

- **A concentration of housing in the core brings new residents and is critical to the vitality of downtown.**
- Downtown housing provides choices for newly emerging desirable demographic groups.
- **30 to 50 units per acre can readily be accommodated in 3-4 story development with varied massing.**
- By City ordinance, housing provides a source of dedicated open space to be maintained in perpetuity.





PLACEWORKS



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