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City Transportation Department staff have made a number of changes to the proposed new Transportation Demand Management (TDM) program in response to feedback from Smart Growth's members and other stakeholders, and Smart Growth's members greatly appreciate that. However, there still is considerable room for improving this proposal. To improve the proposal, Smart Growth requests the following changes to the ordinance and program.

1. Add a required report and "sunset" provision to the TDM ordinance.

Rationale: Requiring the Transportation Department to gather information from those affected by the new TDM program after it has been implemented for several years is needed to make visible to the future Transportation Commission and Common Council the positive and negative impacts of the new TDM program, especially the negative impacts on commercial tenants, employees of commercial tenants, and apartment residents. Without such a study and report, the positive impacts and the negative impacts on businesses and residents will be invisible to the Transportation Commission, Common Council and most of Madison's residents. The "sunset" provision will ensure that the future Common Council carefully considers this report before deciding whether to keep the TDM program in place or take some other action to address the goals of the TDM program.

Proposed ordinance text:

After three years after the effective date of this ordinance, the Transportation Department shall gather information from at least the following groups of people regarding their experience with the program implementing this ordinance:

- Owners of buildings subject to the program
- Commercial tenants in buildings subject to the program
- Residential tenants in buildings subject to the program
- Commercial brokers.

No later than three and a half years after the effective date of the ordinance, the Transportation Department shall submit to the Transportation Commission and Common Council a written report of the information gathered from people affected by the program. The report also shall include an appendix containing the addresses of all of the buildings subject to this program, the uses in each of the buildings subject to the program, the number of TDM plans submitted for each building, and a statistical summary of how many times each TDM measure was included in all of the TDM plans submitted to comply with the program.

This ordinance will be repealed effective four years from the date it became effective unless before the repeal date the Common Council extends the duration of the program.

2. Remove the provisions in the TDM program document which make the new TDM program apply to uses in existing buildings if the use or sub-use changes after the effective date of the TDM program.

Rationale: The proponents of the proposed new TDM ordinance and program recognize that it will be extremely challenging for the owner of an existing building to propose a TDM plan for a changed use or sub-use that complies with the new TDM program. They have included a two-part “appeals process” to try to address this issue. However, staff can grant the application for a point reduction (up to 5 points) only if the building owner demonstrates it is “impossible” to comply with the new TDM program, and if staff apply that standard literally, most or all applications will be denied, because showing compliance with the TDM program does not make economic sense and would be a hardship is not the same thing as showing compliance is impossible. This will leave the building owner unable to accept new commercial-use or employment-use tenant because it would not make economic sense to comply with TDM program in order to be able to lease the space to the new commercial tenant. This will harm the vitality of commercial nodes in neighborhoods throughout the city. Furthermore, there is no assurance that city staff will act on an application for a point reduction in time to keep the potential new commercial tenant interested in the space in the applicant’s building. Finally, there is no way for a building owner to obtain a point reduction from the Transportation Commission in time to make a difference.

Proposed TDM program document text:

TDM requirements are applicable to all existing structures within the City that are expanded or for which:

- ~~• Uses change from one primary use category to another (e.g. changing from employment to commercial use)~~
- ~~• Sub-uses change from one category to another (e.g. commercial – retail to commercial restaurant)~~
- The total parking on the site is increased
- The primary structure in which the use takes place is expanded.
- The overall composition of uses on the site changes (e.g. a building with 50% employment and 50% commercial, becomes 60% employment and 40% commercial)

3. Clarify that charging residential tenants separately to park a vehicle in the parking structure (e.g., underground parking garage) for an apartment building/complex is sufficient to satisfy the TDM mitigation measure called Unbundle Parking as long as a majority of the parking spaces for the apartment building/complex are contained within the parking structure.

Rationale: In areas of the city outside the Downtown, it is extremely unusual for the owner of an apartment building/complex to attempt to make tenants pay separately for surface parking spaces for a variety of reasons. In areas of the city outside the Downtown, it is common for new apartment buildings/complex to provide most of the parking for the tenants in an underground garage while

providing parking for visitors, deliveries and some of the tenants' vehicles in a surface parking lot. If the developer/property owner must attempt to charge tenants for parking stalls in the surface parking lot for an apartment building/complex where most of the parking spaces are in a parking structure with controlled access in order to satisfy the Unbundle Parking mitigation measure, few if any TDM plans for new apartment buildings/complexes outside the Downtown area will contain the Unbundle Parking mitigation measure. This will make it more challenging for new apartment building/complexes to meet the requirements of the new TDM program, which could discourage housing construction in Madison. Furthermore, if a developer/building owner decided to attempt to charge residential tenants for parking in the surface parking lot in an area outside of the Downtown, the tenants would park their vehicles on the streets in the surrounding neighborhood.

Proposed TDM program document text:

Unbundle Parking	Programmatic	Lease or sell parking separately from residential units or office spaces. Must be optional. Cannot be used in combination with parking fees or cash out. <u>Parking in a surface parking lot for residential units and visitors is exempt from leasing or selling parking separately as long as a majority of the parking spaces for the residential units are in a parking structure and are leased or sold separately.</u>	10
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4. Double the points for certain TDM mitigation measures that the developer/property owner actually can control.

Rationale: Many potential commercial tenants will not lease space in a building where their employees must pay to park (Unbundle Parking) or agree in the lease to perform TDM measures with their employees. This makes it extremely challenging for a developer/owner of a new multi-tenant building that includes employment or commercial uses to be able to simultaneously sign commercial tenants to leases AND be able to submit TDM plan(s) containing enough TDM points to meet the requirements of the new TDM program. Increasing the points for non-parking TDM measures which the developer/property owner actually can control would make it more feasible for the developer/property owner to be able to do both.

Proposed change to TDM program document:

Double the number of points for the following TDM mitigation measures:

- Dedicated access to bike parking (currently 1 point)
- Indoor covered bike parking near entrance (currently 1 point)
- Bicycle maintenance facilities (currently 1 point)
- Clothes lockers and/or showers (currently 1 to 2 points)
- Secure storage room or bicycle lockers (currently 2 points)
- Carpool preferential or free parking (currently 1 point)
- Marketing & information campaign (currently 1 point)

- Active transportation, wayfinding, maps & signage (currently 1 point)
- Alternative transportation kiosk (currently 1 to 2 points)
- Delivery supportive amenities (currently 1 point)
- Package drop-off area (currently 2 points)