
Granite

MEMORANDUM

TO: City of Plano
FROM: David R. Cunningham
PROJECT: September 4, 2018 P&Z Meeting
SUBJECT: Granite Park Planned Development Re-Zone Case
DATE: 8/27/2018

History of Granite Park:

The land for Granite Park originally consisted of approximately 92 gross acres and lay at the SE Corner of the Future Dallas North Tollway and Sam Rayburn Tollway intersection. When the land was purchased in 1997 and the original plan for Granite Park was platted in early 1998 the intersection was completely undeveloped and at grade. Granite Park was a pioneering effort in the early development of the Greater Legacy Business District.

Granite Park's net development acreage became 68 acres after ROW dedications and Core of Engineer Floodway and water detention planning was accounted for.

Granite Park is Zoned Central Business-1/Dallas North Tollway Overlay District. The original plan for Granite Park was designed to allow for Class "A" Office, Hotel and Retail/Restaurant uses. The original notion of the Masterplan was that Granite Park would contain approximately 1.5 million square feet of new construction and would be parked approximately 50% at grade and 50% in garages.

The City Code for office building parking which is the predominate use planned for Granite Park is 3/1000 (1 space per 300 GSF)

Granite Park is a long term asset that is being held and developed continuously as the market allows. Granite Park is the headquarters asset of Granite Properties, Inc. and serves as the investment stronghold of Granite's \$2.5 Billion nationwide portfolio.

Granite Park Development begins:

Granite Park I as well as ½ of Granite Parkway and all of Parkshore Drives and a portion of Parkwood Blvd. were built in 1998 and delivered to the market in early 1999. GP 1 was 50% structured parked and 50% site parked at a ratio of 4/1000.

Granite Park II was built in 2000. GP II was built as 80% structured parked and 20% site parked and also at a ratio of 4/1000.

The Children's Courtyard daycare center was built in 2000.

Granite Park Matures:

Granite Park III and Granite Park Shops II were built in 2005-2006 and was 100% structured parked at a ratio of 3.5/1000 as we began to understand that the heavier parking we were building was not getting used. Granite recognized that the land value had accreted so much that on grade parking was inefficient. Granite also was early to recognize that actual parking usage was never at the heavier planned rate and almost always at a rate LOWER than the existing City Code.

Shops at Granite Park and the Blue Mesa were built during this 2nd Phase of Granite Park.

At the same time that GP III was being constructed Granite built the remainder of Granite Parkway and along with the Posey Company and EDS/Trammel Crow built out the northern section of Parkwood Blvd along with the intersection of Parkwood to Hwy 121.

No new buildings were delivered between 2006 and 2013 due to the recession.

Development Pace Escalates:

Granite Park IV was built in 2013 and Granite Park V was built in 2015 and both assets were 100% structured parked at a ratio of 3.25/1000.

The 270,000 SF, 300 room conference center Hilton at Granite Park was developed in 2013 and opened in August 2014.

Granite Park VII, Fannie Mae Texas Headquarters was built in 2016-2017.

The Boardwalk at Granite Park containing 8 restaurants was built in 2016-2017.

As of the end of 2017 Granite Park now contains 2.5 million SF of Class "A" Hotel, Retail and Office product and is home to 10,000 daytime jobs.

Granite Parks New Master Plan:

Recognizing that the dynamic of the development characteristics have changed in the greater Legacy Business District, Granite has begun the process of densification studies which will remove most, if not all, of the site parking components for office sites in order to build more buildings that are larger and will be 100% structure parked.

The new Master Plan for Granite Park projects a full development build-out of 4.5 Million SF and will take another 10 to 12 years to bring to full completion. New parking for Granite Park will need to be right sized to allow for current demands and expected lesser parking demands as flex-time, work-from-home, self-driven cars and pay-for-use services come more into play.

The new PD for Granite Park will help us right-size our parking supply to make use of the 2,000 spaces now being unused as well as to let Granite Park function as more cross functioning development.

Granite Properties Portfolio-wide Parking Study July 2018

Executive Summary

In an effort to better manage parking and not over build parking in future developments, Granite Properties conducted a portfolio-wide parking study of 23 Class A buildings totaling 7 million square foot with structured parking in suburban, inter-urban and urban areas in Dallas, Houston, Atlanta, Denver and Southern California from January – May 2018.

In general, the most common code required for parking at office buildings ranges from 3:1,000 to 3.5:1,000. Granite has provided a range of 3:1000 to 4:1000 because of broker and customer demands. In the 90s, companies like call centers, began asking for 5:1,000, 6:1,000 or even 7:1,000 to accommodate a large number of employees working in smaller spaces with overlapping shifts. While there is no comparison between office buildings designed for call centers and multi-tenant Class A buildings, the general perception by brokers now is that their client's need 4:1000 or even higher.

Granite's property management teams in Dallas, Houston, Atlanta, Denver and Southern California performed the garage usage counts every day for two weeks. The team picked weeks without holidays and the study ended in May before summer vacation season started. We calculated the average daily parking when grossed up to 100% occupancy as well as the peak hour of the peak day when grossed up to 100% occupancy, to get the worst-case scenario of our parking demands.

The study has consistently shown that during peak demand roughly 30 percent of parking is not being used and sits empty when a building is 100% leased. In fact, our study found that our customers only use on average of 2.17 spaces per 1,000 square foot using peak hour of the peak day as the measuring point. This ratio was strikingly consistent across all of our buildings in all five markets. This means that of the total 22,360 parking spots we provide in the surveyed buildings in our five market cities, 6580 parking spots (30%) sit vacant every day at peak hour and even more than that on average. The value of those spots combined is over \$100 million.

In Dallas for instance, we offer a parking ratio average of 3.24:1,000 but the study reveals that Granite's office buildings use 2.05:1,000, so 37% of parking spots will be empty on an average day using peak hour of a peak day as a measuring point. **At Granite Park in Plano, where we offer a range of 3.25-4:1,000 only 1.9:1,000 is being utilized; 2347 spots, more than 45%, will be vacant on the average peak day.**

Granite's goal is to develop efficient, smarter buildings that are rich in amenities and do not waste resources. With a better view of parking utilization, we can save our customers millions of dollars in our future office developments by right sizing the parking facilities and then allocating those funds to develop an even better building and save energy that is being spent on needlessly overbuilding our parking facilities.

The industry as a whole and Granite agrees, that the change in how people work and get to work is going to make this situation more glaring in the future when flexible work environments, work-from-home, ride-sharing and the reality of driverless cars comes into vogue. This is why it's important that we start educating cities, brokers and our customers about rightsizing parking demands.

To achieve our goal to accommodate each worker with a parking space when they need it in the most cost effective way, we recommend:

- Investing in technology to help right size parking by better managing a more efficient supply of spaces.
- Educating cities, brokers and customers that developing parking without an accurate view of parking utilization would be wasteful and expensive.
- Understanding and using mixed use calculations to use off-peak parking for uses that are not at peak demand at the same time of the day.
- Exploring how to repurpose the extra parking.
- Changing the way new parking garages are capitalized to supply expected use counts and charging for over use demands that are not being experienced.