

## Construction: Alternate Uses for Parking Structures

**Klorman Construction** in Woodland Hills is building a large garage structure for a nearby Warner Center office complex at 6041 Variel.

The industry is doing “very well,” said **Michael Pendergrass**, associate principal at **Watry Design’s** Southern California office, which worked with parking structure general contractor **Swinerton Builders** on the Newhall project.

“It’s booming,” concurred **Bill Klorman**, founder of Klorman Construction. “We’re back in a cycle. The Valley is a perfect example: parcels are large, prices reasonable. There’s huge demand and plenty of product.”

And yet, some economists believe that with the rise of the autonomous vehicle, the parking industry’s days are numbered.

### Driverless future

Earlier this year, California Forecast Economist **Mark Schniepp** said at several economic forums, including **CBRE Group Inc.’s** in Westlake Village in February and a city of Santa Clarita forecast in March, that the rollout of autonomous vehicles will happen between five and 10 years in the future. He believes it will prove so transformative to society that many job positions — from truck and bus drivers, to traffic court staff, to medical personnel to treat car accident victims — will disappear.

Prognosticators such as Schniepp and supporters of vehicular technology see the rise as by and large ending automobile fatalities; 37,000 people were killed in traffic accidents in 2016, according to National Highway Traffic Safety Administration statistics.

Schniepp delivered his lectures, however, before the mid-March mishap with a driverless Uber car that killed a woman in Tempe, Ariz. So does Schniepp believe such deaths will impede progress toward a driverless society? Not in the least.

“The Uber was not at fault, though the accident apparently could have been avoided, especially if the human driver had been alert,” Schniepp said in an email to the Business Journal.

Federal regulators have been supportive of the move toward vehicular autonomy, and AV companies are moving full steam ahead. Too much is riding on the momentum of driverless vehicles right now, Schniepp maintains.

“The political machine to make this happen will drown out the naysayers, unless of course, there are more incidents,” he said. “If anything, I think the timeline for AVs will speed up, not become delayed.”

### Good times roll?

Major players in parking structure construction agree with Schniepp’s assessment. The only issue where they quibble is the timeframe:

How fast will driverless arrive?

**Steffen Turoff** is director of planning studies for **Walker Consultants’** Pacific region, which has advised on such high-parking demand sites as Burbank Medical Plaza at Providence St. Joseph’s Medical Center, Valley Presbyterian Hospital and Glendale Memorial Hospital. His research points to declines in some types of parking.

“Nobody really knows the timeline,” Turoff said. “We all know that a dramatic change is happening.”

“I don’t think anyone has a crystal ball,” agreed Pendergrass. “(Nevertheless,) it’s the hot topic in our industry. No matter what, when we meet with developers, it’s one of their questions — AVs and the shared car services Uber and Lyft (and) what that means.”

The horizon points to a future where bike-share, carshare and increasing transit options will complement the incoming AVs.

“Clearly that’s having an impact on the airport market,” Turoff said of ride-sharing, and his industry is trying to determine the impact AVs will have on drop-offs and pick-ups.

“All of these forces are coming together right now. People are not driving to hotels like they were before,” he said.

For now, parking construction has shown no sign of adapting to a driverless future.

According to a 2017 report issued by parking structure design firm Carl Walker (since absorbed by **Wantman Group Inc.**) based on 2016 statistics, parking construction has emerged vigorous from the Great Recession.



**Newhall: Structure cost \$15.6 million.**

“There is a growing belief among industry execs that the market will continue to expand,” the report said, to the tune of 5 to 6 percent growth in the institutional sector for 2017 and 2018, and even higher in the commercial, office and retail segments.

**Turner Construction’s** Turner Building Cost Index revealed that the cost of creating parking structures rose 4.7 percent in 2016. In 2017, median parking structure construction cost in Los Angeles stood at an index of 113.4 with the average space costing \$22,334, or \$66.97 per square foot. By comparison, New



PHOTO BY THOMAS WASPER

**Optimist: Bill Klorman of Klorman Construction does brisk business building parking.**

York stood at an index of 134.6 with a cost per space of \$26,510, or \$79.49 per square foot, while the national average was an index of 100 at an average \$19,700 (\$59.06 per square foot) per space.

In Southern California, the number of firms that erect parking structures is finite.

“There’s only a few of us that build them,” Klorman said. “Five or six of us that do it for a living. Most building architects are not adept at building (parking structures).”

Klorman Construction is currently working on a major project in its own backyard. The firm is providing the structural concrete subcontractor services for a 492-space parking garage at 6041 Variel Apartments; a two-phase Woodland Hills project by contractors **Build Group** and architects **Togawa Smith Martin Residential, Inc.** Upon its 2019 completion, the three-level garage will see 413 spaces for apartment residents of a five-story, 490,000-square-foot apartment building, and 79 spaces for tenants of a planned 12-story, 80,000-square-foot office building.

Meanwhile in Santa Clarita, on the just-opened Old Town Newhall Parking Structure, to be joined next year by the mixed-use Crossings building and a Laemmle theater, the square footage for parking totaled 152,000 square feet with a cost of \$15.6 million, or \$41,472 per stall.

Beyond 6041 Variel, Klorman said his company is primed to assume more local work related to the Warner Center Specific Plan 2035, which is spurring mixed-use and multifamily construction.

“We’re going to capitalize on the Valley’s development,” he said.

### Transit in transition

Parking structure builders do not fear the promise of a driverless society as much as they are eager to adapt to it and find their role. “We’re dealing with uncertainty and (creating a structure) can be a 50 to 60 year capital investment,” Turoff said. “(However,) parking is not going away. The base parking will still be important for a number of reasons. The key right now is flexibility because we don’t know how it’s going to happen.”

Meanwhile, “adaptive reuse” has already become part of the parking industry’s lexicon.

Building a structure for eventual conversion to residential or office spaces comes with greater upfront costs, and only in the last two or three years have clients begun discussing this option, according to Klorman, Turoff and Pendergrass.

“We’re asking our clients from the get-go and advising them not to create more (parking) than what you are going to need,” Pendergrass said.

According to Wired, cities nationwide have begun fostering smart construction, setting goals that range from having developers of affordable housing create parking minimums, to instilling regulations forcing developers to include ground floors adaptable to non-parking use, to employing tax credit incentives.

Yet traditional parking structures will remain the norm for now, while the progress of smart construction and AVs in society — much like Friday traffic on the 101 — will remain stop-and-go at best.

“AVs are definitely on their way,” Klorman said. “But will it happen overnight? No.”