



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** June 17, 2014

**TO:** Mayor and Councilmembers

**FROM:** Transportation Division, Public Works Department

**SUBJECT:** Public Hearing For The Parking And Business Improvement Area Annual Assessment Report For Fiscal Year 2015

**RECOMMENDATION:** That Council:

- A. Consider appropriate protests to the Parking and Business Improvement Area Annual Assessment Report for Fiscal Year 2015, as required under the California Parking and Business Improvement Area Law of 1989; and
- B. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Fixing and Assessing the Parking and Business Improvement Area Assessment Rates for Fiscal Year 2015, and Confirming Approval of the Parking and Business Improvement Area Annual Assessment Report for Fiscal Year 2015.

### **DISCUSSION:**

The Parking and Business Improvement Area (PBIA) was established in 1970, in response to La Cumbre Plaza Shopping Center's "Free Parking" campaign. The Downtown business community was concerned about losing customers and wanted to offer a similar free period, a perception still intact today. In order to accomplish this goal of providing free parking, the Downtown business community and the City joined together in a public-private partnership. The original PBIA area contained nine surface lots and approximately 1,100 spaces. There are now five parking structures and seven surface lots, for a total of 3,200 spaces available to customers, 361 days a year. This successful partnership continues to provide affordable short-term parking rates to customers and visitors of the Downtown area.

The Downtown Parking budget is funded primarily by hourly parking revenues, and to a much lesser extent, by the PBIA and permit sales. The funds generated by the PBIA partially finance the operation and maintenance of the parking lots, thereby assisting the Parking Program with the cost of offering the 75-minute free parking period. The PBIA revenues are directed solely towards hourly employee salaries and utility costs in support of the operation of the parking lots. Other revenues that are derived from hourly parking charges and permit sales support the balance of expenses. Approximately 4.3 million

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transactions were processed last year. Each of those tickets/patrons benefited from the 75-minute free parking period. Last year's business-paid PBIA assessments contributed approximately \$0.23 per ticket to the maintenance and operation of public parking lots, and to the free period. This 40-year partnership between the Downtown business community and the Downtown Parking Program has helped to keep Santa Barbara's downtown viable.

On October 5, 1999, Council adopted Ordinance No. 5126, enacting a new PBIA (Santa Barbara Municipal Code, Chapter 4.37) and Benefit Assessment District pursuant to the State PBIA Law of 1989 (California Streets and Highways Code Sections 36500 - 36551). The Final Engineer's Report, approved by City Council on October 5, 1999, and the Addendum to the Final Engineer's Report, approved by City Council on May 25, 2010, are on file with the City Clerk's office and provide an explanation of the PBIA assessments and methodologies. The reports include detailed information on boundaries, benefit zones and the classifications of businesses, as well as an explanation of how assessments are levied. For Fiscal Year 2015, there are no proposed changes to the PBIA boundaries, benefit zones, or assessment levels.

Under the law establishing the City's PBIA District, City Council is required to conduct an annual Public Hearing to consider protests to the PBIA Annual Assessment Report. Staff has received no protests prior to submittal of this Council Report. On April 10, 2014, the Downtown Parking Committee (DPC), serving as the PBIA Advisory Board, recommended that Council approve the PBIA Annual Report 2015. The DPC also recommended that the DPC Finance Subcommittee review the PBIA rate categories and identify items that may need to be updated.

On June 3, 2014, Council approved the PBIA Annual Report and set the date for the PBIA Annual Assessment Report Public Hearing for June 17, 2014.

**BUDGET /FINANCIAL INFORMATION:**

The revenue generated from the PBIA is projected at \$980,000 or 13.5 percent of the Parking Budget for Fiscal Year 2015. If the PBIA Annual Report is not approved, the Parking Program will need to consider redirection to the Capital Program, Operating Budget, and possibly eliminating the free parking period.

**PREPARED BY:** Browning Allen, Transportation Manager/VG/kts

**SUBMITTED BY:** Rebecca J. Bjork, Public Works Director

**APPROVED BY:** City Administrator's Office