



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** June 21, 2016

**TO:** Mayor and Councilmembers

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

**SUBJECT:** Parking And Business Improvement Area Annual Assessment Rates For Fiscal Year 2017 – Public Hearing

**RECOMMENDATION:** That Council:

- A. Consider any appropriate protests to the Parking and Business Improvement Area Annual Assessment Report For Fiscal Year 2017, as required under the California Parking and Business Improvement Area Law of 1989;
- 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 2017, and Confirming Approval of the Parking and Business Improvement Area Annual Assessment Report for Fiscal Year 2017; and
- C. Direct staff and the City Attorney to review the Parking and Business Improvement Area assessment methodology for consistency with current industry standards.

### **DISCUSSION:**

In 1970, the City of Santa Barbara (City) and the Downtown business community joined together in a public-private partnership to form the Parking and Business Improvement Area (PBIA). Downtown businesses wanted to be competitive with nearby retail developments and business districts by offering free parking for their customers. The original PBIA area covered nine parking 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, 365 days a year, staffed 361 days. This 45-year partnership between the Downtown business community and the City continues to provide affordable short-term customer parking and helps to keep Santa Barbara's Downtown viable.

The Downtown Parking budget is funded primarily by hourly parking fees and, to a lesser extent, by the PBIA assessments, parking permit sales, and tenant rents related to lease agreements. The PBIA revenues are directed solely towards hourly employee salaries and utility costs associated with operation of the hourly parking lots. These funds partially finance the operation and maintenance of the hourly parking lots and offset the cost of offering a free parking period, currently set at 75 minutes. Approximately 4.5 million vehicle transactions were processed in the last fiscal year. Each one of those patrons benefited from the free parking period.

On October 5, 1999, Council adopted an ordinance enacting a new PBIA (Santa Barbara Municipal Code, Chapter 4.37) according to the State PBIA Law of 1989 (California Streets and Highways Code Sections 36500 - 36551). The Final Engineer's Report, approved by Council on October 5, 1999, and the Addendum to the Final Engineer's Report, approved by Council on May 25, 2010, are on file with the City Clerk's office and provide an explanation of the PBIA rates and assessment methodology. 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 2017, there are no proposed changes to the PBIA boundaries, benefit zones, or assessment levels.

Under the law establishing the PBIA, Council is required to conduct an annual Public Hearing to consider any appropriate protests to the PBIA Annual Assessment Report. Staff has received no protests prior to submittal of this Council Agenda Report.

On May 12, 2016, the Downtown Parking Committee (DPC), serving as the PBIA Advisory Board, recommended that Council approve the PBIA Annual Report and fix the assessment rates as described in the Annual Report. Additionally, the DPC asked parking staff to communicate to Council its desire to see the PBIA boundaries, rate structure, and methodology revisited, and have funds appropriated as necessary to complete an updated Engineer's Report. Several components of the PBIA have not been updated since its inception in 1970, and the DPC expressed an interest in analyzing those components.

The assessment methodology has changed significantly in recent years. The last engineer's review and update took place in 2010. Staff and the City Attorney recommend that Council direct a review of the PBIA assessment methodology to assure it is consistent with current industry standards.

#### **BUDGET /FINANCIAL INFORMATION:**

For Fiscal Year 2017, PBIA revenues are projected to be approximately \$1,000,000, which will cover approximately 13 percent of the Parking Operating Budget. If the PBIA rates are not fixed and approved, the Downtown Parking Program will need to consider adjustments to the Capital Program, Operating Budget, and possibly eliminate the free parking period.

**PREPARED BY:** Robert Dayton, Principal Transportation Planner/VG/MJ

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

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