



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 3, 2008

TO: Mayor and Councilmembers

FROM: Transportation Division, Public Works Department

SUBJECT: Parking And Business Improvement Area Annual Assessment Report 2009

RECOMMENDATION: That Council:

- A. Consider appropriate protests to the Parking and Business Improvement Area Annual Assessment Report 2009, 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 (PBIA) Assessment Rates for Fiscal Year 2009, and Confirming Approval of the PBIA Annual Assessment Report for Fiscal Year 2009.

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.

To accomplish the goal of providing free parking, the Downtown business community and the City formed a 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 clients of the downtown area.

The funds generated by the PBIA partially finance the operation and maintenance of the parking lots, and partially offset the cost of offering the 75-minute free parking period. This 37-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 PBI (Santa Barbara Municipal Code, Chapter 4.37) and Benefit Assessment District pursuant to the State PBI Law of 1989 (California Streets and Highways Code Sections 36500 - 36551). The Engineer's Report, approved by Council on October 5, 1999, is on file with the City Clerk's office and provides an explanation of the PBI assessments. This report includes detailed information on rates, boundaries, and the classifications of businesses, and an explanation of how assessments are levied. For Fiscal Year 2009, there are no proposed changes to the PBI boundaries or assessment levels.

Approximately 4.4 million transactions were processed last year. Each of those tickets/patrons benefited from a 75-minute free parking period. Last year's business-paid PBI assessments contributed approximately \$0.20 per ticket to the maintenance and operation of public parking lots, and to the free period. Revenue from the PBI provides a rate-structure that promotes short-term customer parking.

The Downtown Parking budget is funded primarily by hourly parking revenues, and to a lesser extent, by PBI and permit sales. The PBI revenues are directed solely towards hourly employee salaries and utility costs in support of the operation of the parking lots. Other revenues derived from hourly parking charges and permit sales support the balance of expenses.

Under the law establishing the City's PBI District, Council is required to conduct an annual Public Hearing to consider protests to the PBI Annual Assessment Report. Staff has received no protests prior to submittal of this Council Report. On May 8, 2008, the Downtown Parking Committee (DPC), serving as the PBI Advisory Board, recommended approval of the PBI Annual Report. On May 20, 2008, Council approved the PBI Annual Report and set the date for the PBI Annual Assessment Report Public Hearing for June 3, 2008.

BUDGET /FINANCIAL INFORMATION:

The revenue generated from the PBI is \$850,000, 13% of the Parking Budget. Without this revenue, options such as eliminating the free parking period and charging for all parking will need to be considered.

PREPARED BY: Browning Allen, Transportation Manager/BB/mb

SUBMITTED BY: Paul Casey, Acting Public Works Director

APPROVED BY: City Administrator's Office