



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 30, 2009

TO: Mayor and Councilmembers

FROM: Transportation Division, Public Works Department

SUBJECT: Parking And Business Improvement Area Annual Assessment 2010

RECOMMENDATION: That Council:

- A. Consider any protests to the Parking and Business Improvement Area (PBIA) Annual Assessment Report 2010, as required by 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 PBIA Assessment Rates for Fiscal Year 2010, and Confirming its Approval of the PBIA Annual Assessment Report for Fiscal Year 2010.

DISCUSSION:

The Downtown Parking and Business Improvement Area (the "PBIA") was established in 1970 primarily in response to the opening of La Cumbre Plaza Shopping Center and its "Free Parking" campaign. The Downtown business community was concerned about losing customers and wanted the City to offer similar free parking in the Central Business District. In order to accomplish this, the Downtown business community and the City joined together in a partnership under the auspices of state "business improvement area" statutes. 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 per year. This successful partnership continues to provide affordable, short-term parking rates to retail customers and clients of the Downtown area.

The funds generated by the PBIA partially finance the operation and maintenance of the City 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 the Santa Barbara Downtown retail and restaurant environment viable.

On October 5, 1999, Council adopted Ordinance No. 5126, enacting a revised 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) which combined the former Downtown PBI (above Ortega Street) with the "Old Town" PBI (below Ortega Street). 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, as well as an explanation of how assessments are levied. For Fiscal Year 2010, there are no proposed changes to the PBI boundaries or assessment levels.

Approximately 4.3 million parking transactions were processed last year allowing patrons to benefit 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 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 the salaries of hourly employees 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 state law establishing the City's PBI District, the Council is required to conduct an annual Public Hearing to consider any protests to the PBI Annual Assessment Report. Staff has received no protests prior to submittal of this Council Report. On May 14, 2009, the Downtown Parking Committee, serving as the PBI Advisory Board, recommended approval of the PBI Annual Report. On June 16, 2009, Council approved the PBI Annual Report and set the date for the PBI Annual Assessment Report Public Hearing for June 30, 2009.

BUDGET/FINANCIAL INFORMATION:

The revenue generated from the PBI is \$875,000, or 13% of the Downtown 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/BA/kts

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office