



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 7, 2011

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 2012

RECOMMENDATION: That Council:

- A. Consider appropriate protests to the Parking and Business Improvement Area Annual Assessment Report for Fiscal Year 2012, 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 2012, and Confirming Approval of the Parking and Business Improvement Area Annual Assessment Report for Fiscal Year 2012.

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 which is still intact today. In order to accomplish the goal of providing free parking, the downtown business community and the City joined together in 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 365 days per year. This successful partnership continues to provide affordable, short-term parking rates to customers and visitors of the downtown area.

The funds generated by the PBIA partially finance the operation and maintenance of the parking structures and surface lots, and partially offset the cost of offering the 75-minute free parking period. This 40-year partnership between the downtown business community and the Downtown Parking Program has helped to keep downtown Santa Barbara viable.

The Downtown Parking budget is funded primarily by hourly parking revenues, and to a much lesser extent, by the PBIA and permit sales. The PBIA revenues are directed

solely towards hourly employee salaries and utility costs in support of the operation of City parking lots. Other revenues, derived from hourly parking charges and permits, support the balance of expenses.

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 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 assessments. The reports include detailed information on boundaries, benefit zones, and the classifications of businesses, as well as an explanation of how assessments are levied. The PBIA Annual Report brought before Council on May 10, 2011, for an Intention to Levy notification, incorrectly stated the Movie Theater assessment rate as \$.29 cents per \$100 gross sales. The correct assessment rate for Movie Theaters is \$.16 cents per \$100 gross sales, reflecting no changes in the assessment rates for Fiscal Year 2012. For Fiscal Year 2012, there are no proposed changes to the PBIA boundaries, benefit zones, or assessment levels.

Approximately 4.3 million transactions were processed last year. Each of those patrons benefited from the free parking period. Last year's business-paid PBIA assessments contributed approximately \$0.20 per ticket to the maintenance and operation of public parking lots, and to the free period. Revenue from the PBIA provides a rate-structure that promotes short-term customer parking.

Under the law establishing the City's PBIA District, 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 14, 2011, the Downtown Parking Committee (DPC), serving as the PBIA Advisory Board, recommended approval of the PBIA Annual Report. On May 10, 2011, Council approved the PBIA Annual Report and set the date for the PBIA Annual Assessment Report Public Hearing for June 7, 2011.

BUDGET/FINANCIAL INFORMATION:

The revenue generated from the PBIA is \$840,000, or 13% of the Parking budget. If the PBIA Annual Report is not approved, the Parking Program will need to consider redirections to the Capital Program Operating Budget, and/or charging for all parking, even short-term.

PREPARED BY: Browning Allen, Transportation Manager/kts

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office