



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 4, 2013

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 2014

RECOMMENDATION: That Council:

- A. Consider appropriate protests to the Parking and Business Improvement Area Annual Assessment Report 2014, 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 2014; and Confirming Approval of the Parking and Business Improvement Area Annual Assessment Report for Fiscal Year 2014; and
- C. Authorize staff to implement the process to start the Parking and Business Improvement Area assessment for entities in the Parking and Business Improvement Area that are not currently paying into the system, which include nonprofit performing arts theaters, museums, and nonprofit business offices.

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 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 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 40-year partnership between the Downtown business community and the Downtown Parking Program has helped to keep Santa Barbara's Downtown viable.

The Downtown Parking budget is funded primarily by hourly parking revenues, and to a much 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.

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 Final Engineer's Report, approved by 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 PBI 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. For Fiscal Year 2014, there are no proposed changes to the PBI boundaries, benefit zones, or assessment levels.

Approximately 4.3 million transactions were processed last year. Each of those tickets/patrons benefited from the 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.

On April 11, 2013, the Downtown Parking Committee (DPC), serving as the PBI Advisory Board, recommended approval of the PBI Annual Report. The DPC also recommended that the City implement the process to start the PBI assessment for entities in the PBI area that are not currently paying into the system. These entities include non-profit performing arts theaters, museums, and non-profit business offices.

On May 21, 2013, Council approved the PBI Annual Report and set the date for the PBI Annual Assessment Report Public Hearing for June 4, 2013. 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 Agenda Report.

BUDGET /FINANCIAL INFORMATION:

The revenue generated from the PBI is \$875,000 or 12.5% of the Parking Budget. If the PBI 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 parking.

Council Agenda Report
Public Hearing For The Parking And Business Improvement Area Annual Assessment
Report for Fiscal Year 2014
June 4, 2013
Page 3

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SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office



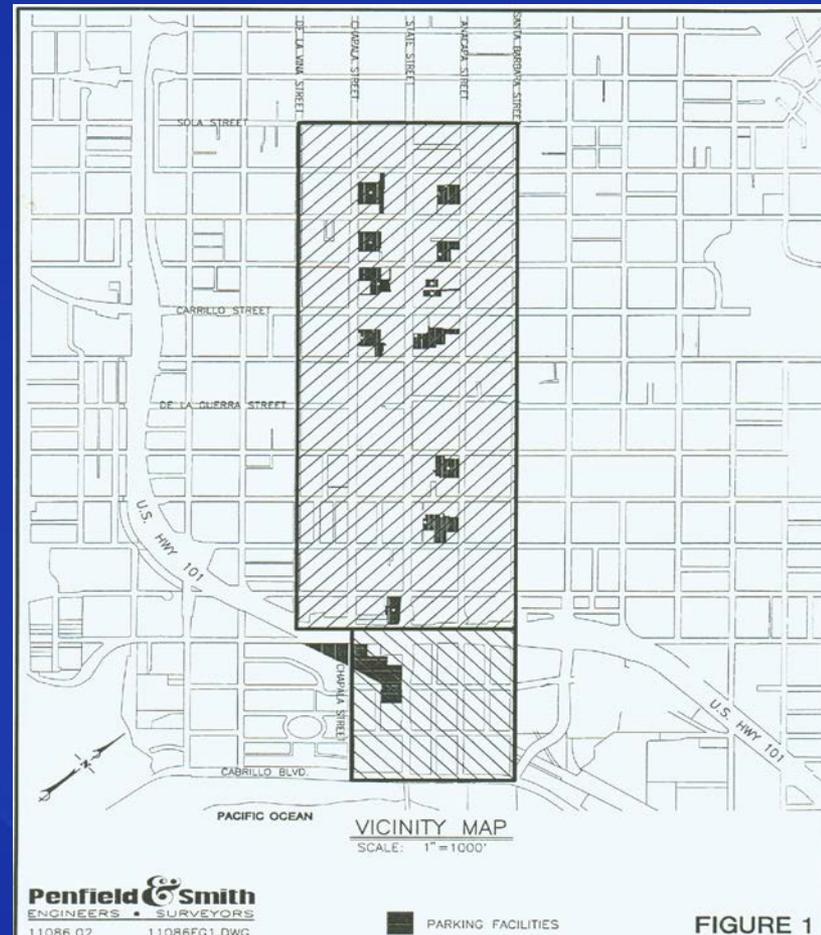
Parking and Business Improvement Area Annual Report 2014



June 4, 2013

PBIA Overall Map

- ◆ Sola Street to Cabrillo Boulevard
- ◆ De la Vina to Santa Barbara Streets



PBIA History

- ◆ Established in November 1970
 - Response to advertised “Free Parking” at La Cumbre Shopping Center
 - Downtown Merchants wanted to offer a similar type of program for their customers and improve the perception of the Downtown experience
 - Provides revenue for this program instead of a merchant validation system – convenient **short term** customer parking
 - Assessment helps **defray** the costs associated with providing a “Free” period as well as a portion of the maintenance and operation of the lots



Today

- ◆ 40+ Year partnership between the Downtown Business Community and the City
 - Originally 9 lots
 - **Currently:**
 - 5 Structures
 - 7 surface lots
 - 3200 spaces
 - Open 7 days a week – 361 days a year
 - 4.3 million transactions processed each year
- ◆ PBIA Revenue helps pay for a portion of the operation costs of the lots
 - Hourly employee salaries
 - Electricity
 - Approximately \$.20 for each transaction

Calculation of Benefit Assessment

- ◆ Business Rate
 - Type of Business; Retail, Financial, Professional, etc.
- ◆ Zone of Benefit
 - Proximity of the business to the parking lot(s)
- ◆ Parking Credit
 - if on-site parking is provided

Historical PBIA Changes

- ◆ Boundaries expanded in 1991 and 1999 for the addition of new parking lots.
- ◆ 2010
 - Adjustments to Movie Theater and Financial Institutions Categories
 - Added Fitness Facilities/Health Clubs, Educational Facilities, Hotels and Motels

Non-Assessed Entities

- ◆ Businesses within the boundaries with less than 20% zone of charge (too far from public lots)
- ◆ Government Agencies
- ◆ Live Theaters
- ◆ Non-Profit Public Service/Charitable Organizations (Museums, Faith Based, Community Organizations)
- ◆ Specific Organizations (Auto Repair, Manufacturing, Private Parking, Residences)

State Law

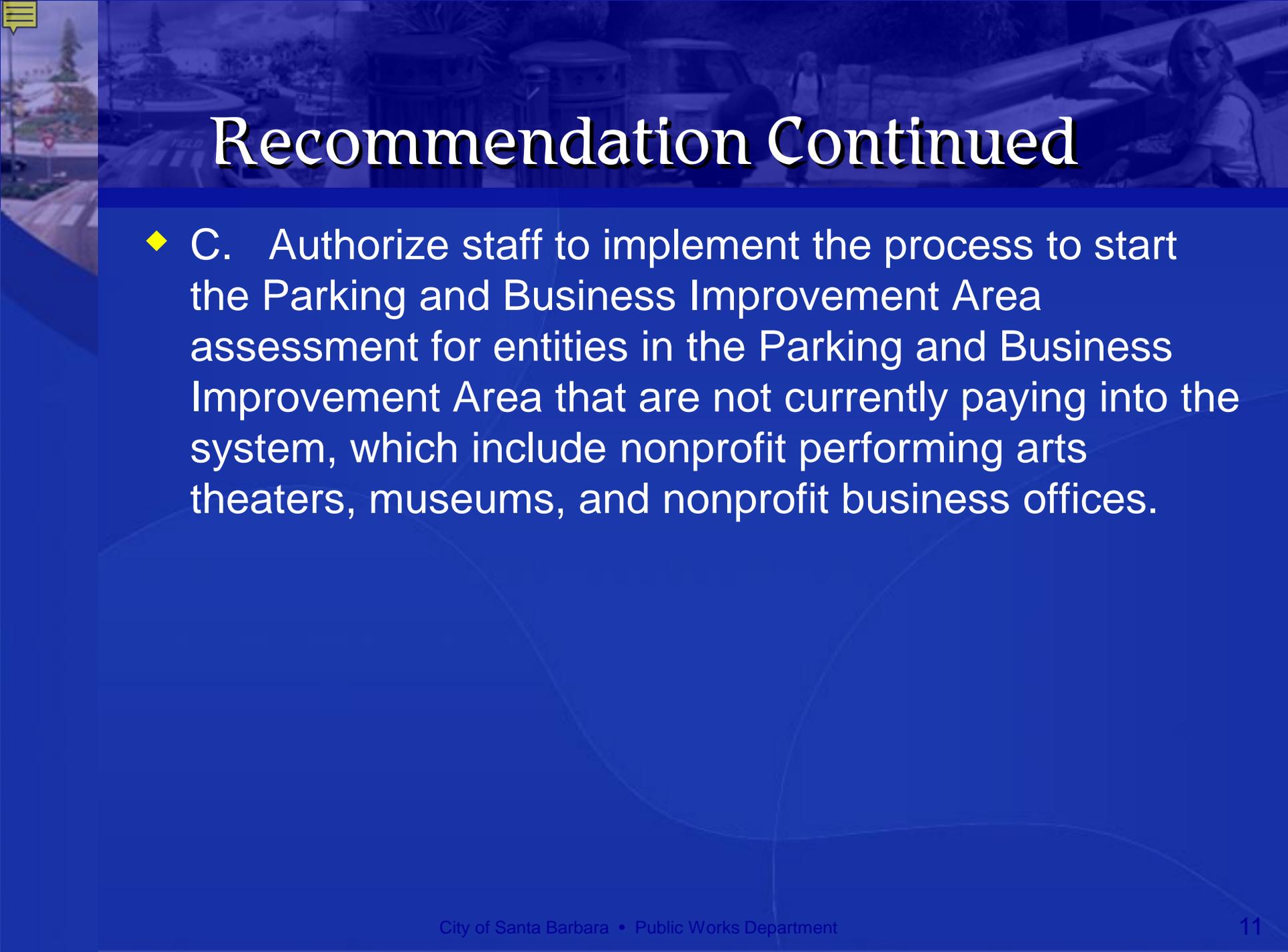
- ◆ Requires the preparation of an Annual Report
- ◆ The Downtown Parking Committee acting as the advisory board reviewed and accepted the 2014 draft PBIA Annual Report on April 11, 2013 and recommended that Council approve the Annual Report.
- ◆ The Downtown Parking Committee also recommended that Parking staff identify non-assessed entities and analyze rate categories to incorporate those entities.

PBIA 2014

- ◆ For Fiscal Year 2014, there are no changes to the PBIA benefit zones, the basis for levying the assessments or any changes in the classifications of businesses.

Recommendation

- ◆ A. Consider appropriate protests to the Parking and Business Improvement Area Annual Assessment Report 2014, 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 2014, and Confirming Approval of the Parking and Business Improvement Area Annual Assessment Report for Fiscal Year 2014; and



Recommendation Continued

- ◆ C. Authorize staff to implement the process to start the Parking and Business Improvement Area assessment for entities in the Parking and Business Improvement Area that are not currently paying into the system, which include nonprofit performing arts theaters, museums, and nonprofit business offices.

Next Steps

- ◆ With Council approval this will cover the 2014 Fiscal Year.
- ◆ Assessment will go in to effect on July 1, 2013.
- ◆ The process for changing the rates and categories in the PBIA requires a full year to complete. The changes would be presented to Council approximately a year from today.