



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** June 9, 2015

**TO:** Mayor and Councilmembers

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

**SUBJECT:** Parking And Business Improvement Area Annual Assessment Rates For Fiscal Year 2016 – Public Hearing

**RECOMMENDATION:** That Council:

- A. Consider any appropriate protests to the Parking and Business Improvement Area Annual Assessment Report For Fiscal Year 2016, 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 2016, and Confirming Approval of the Parking and Business Improvement Area Annual Assessment Report for Fiscal Year 2016.

### **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. In order to accomplish this goal of providing free parking, the Downtown business community and the City of Santa Barbara (City) joined together in a public-private 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 a year and staffed 361 days. This 40-year partnership between the Downtown business community and the Downtown Parking Program 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 revenues 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 parking lots and offset the cost of offering a free parking period, currently set at 75 minutes.

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Approximately 4.4 million customer transactions were processed last fiscal year. Each one of those patrons benefited from the free parking period. Last year's business-paid PBIA assessments contributed approximately \$0.23 per ticket to the maintenance and operation of public parking lots for the free period.

On October 5, 1999, Council adopted an ordinance 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 City 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 PBIA assessments and methodologies. 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 2016, there are no proposed changes to the PBIA boundaries, benefit zones, or assessment levels.

Under the law establishing the City's PBIA District, City 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 Agenda Report. On April 9, 2015, the Downtown Parking Committee (DPC), serving as the PBIA Advisory Board, recommended that Council approve the PBIA Annual Report 2016, and fix the assessment rates as described in the Annual Report.

At the April 9, 2015 meeting, the DPC asked staff to look at the financial and operational impacts created by those businesses that are not being assessed, including those identified as non-profits, and the benefits they enjoy. For those non-profit businesses, located within the 100 percent Zone of Benefit and creating measurable impacts, the DPC would like to explore assessment options that would be sustainable for the business and seen as equitable by the other businesses that are currently being assessed. Parking staff will analyze this issue and include recommended changes for consideration in next year's assessment.

On May 12, 2015, Council approved the PBIA Annual Report 2016 and set the date for the PBIA Annual Assessment Report Public Hearing for June 9, 2015.

**BUDGET /FINANCIAL INFORMATION:**

For Fiscal Year 2016, PBIA revenues are projected to be approximately \$1,080,000, which will cover approximately 14 percent of the Parking Operating Budget. If the PBIA Assessment rates are not fixed and approved, the Parking Program will need to consider adjustments to the Capital Program, Operating Budget, and possibly eliminating the free parking period.

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

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