



City of Santa Barbara
Downtown Parking Committee

Staff Report

DATE: May 12, 2022

TO: Downtown Parking Committee

FROM: Sarah Clark, Acting Downtown Plaza and Parking Manager

SUBJECT: Fiscal Year 2023 Parking and Business Improvement Area Annual Assessment Report

RECOMMENDATION:

That the Committee receive the Fiscal Year 2023 Draft Parking and Business Improvement Area Annual Assessment Report and recommend City Council approve the Draft Annual Report and a status quo assessment for Fiscal Year 2023.

PROPOSED CHANGES:

For Fiscal Year 2023, staff proposes a status quo assessment with no changes to the Parking and Business Improvement Area (PBIA) benefit zones, the basis for levying the assessments, or any changes in the calculations and formulas or classification of businesses.

DISCUSSION:

The PBIA was established in 1970 in response to the La Cumbre Plaza Shopping Center's "Free Parking" campaign. The Downtown business community, concerned about not being able to offer convenient parking for all its customers, wanted to establish a parking program that could offer parking benefits for all of the businesses. The Downtown business community and the City developed a partnership to fund these benefits. The original PBIA area included nine surface lots with approximately 1,100 parking spaces. There are now five parking structures and seven surface lots, with 3,215 spaces available to customers 365 days a year. This partnership continues to provide convenient and affordable parking for customers and visitors in the downtown area.

The funds generated by the quarterly PBIA assessments come from the businesses served by the City's Downtown Parking program. Use of these funds is restricted and directed to offset the cost of the salaries of the Lot Operators and the parking program's utility costs.

This 50-year partnership between the downtown business community and the Downtown Parking program has helped keep Santa Barbara's Downtown viable.

In Fiscal Year 2020, the City hired Walker Consultants to review the PBIA's assessment methodologies, calculate the parking benefit, and comment on the parking program's operational model. Due to the COVID-19 crisis, that effort was placed on hold. Downtown Parking staff will evaluate whether changes to the PBIA assessment methodology are warranted prior to or in concert with implementation of the State Street Master Plan.

The PBIA assessment usually generates approximately \$1 million in revenue each year. Due to ongoing impacts of the COVID-19 pandemic, revenues for Fiscal Year 2022 will be lower than usual. PBIA contributions for Fiscal Year 2022 are expected to be approximately \$974,445. PBIA revenues for Fiscal Year 2023 are budgeted at \$900,000. However, the FY 2023 budget was prepared prior to receiving PBIA revenues for the first quarter of 2022. PBIA receipts for the first quarter were stronger than expected, causing an upward revision of the year-end projection for FY 2022. Based on these receipts, staff expects to receive approximately \$1 million in PBIA revenue for FY 2023.

The Annual Report will be filed with the City Clerk's Office as required by law.

ATTACHMENT: Draft Parking and Business Improvement Area Annual Assessment Report 2023