

CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

MEMORANDUM

Date: June 20, 2024
To: Harbor Commission
From: Mike Wiltshire, Waterfront Director
Subject: **Director’s Report**

CITY COUNCIL BUDGET ADOPTION UPDATE

On June 11, 2024, City Council adopted its operating and capital budget for Fiscal Year (FY) 2025. FY2025 begins on July 1, 2024 and runs through June 30, 2025. The FY2025 City budget is comprised of all City funds, including the Waterfront.

This year’s Waterfront budget was challenging due to continued increases in property insurance, storm related expenses, and general inflationary increases on materials and equipment. Additionally, a slight economic slowdown has impacted revenues generated from Waterfront business tenants. With rising costs comes the need for increased revenues along with operational efficiencies and cost-cutting measures. As an Enterprise Fund, the Waterfront receives no taxpayer dollars and must generate enough revenue through slip fees, parking fees, and tenant rents to cover the cost of operations, capital reinvestment, and reserve requirements.

This year’s budget was reviewed by the full Harbor Commission as well as the Harbor Commission Budget Workgroup multiple times prior to being forwarded to City Council. Waterfront staff captured input from the Harbor Commission and made changes to the originally proposed budget based on Harbor Commission recommendations. Ultimately, on June 11, 2024, City Council approved all budget recommendations put forth by staff and the Harbor Commission.

Below is a table outlining the most significant fee adjustments set to take effect July 1, 2024.

Fee Adjustments	Current (FY2024)	New (FY2025)
Parking Lot Hourly Rate	\$3.00/hr.	\$3.50/hr.
Stearns Wharf Hourly Parking Rate	\$3.50/hr.	\$4.00/hr.
Annual Parking Permit Fee	\$135	\$145
Monthly Slip Fee		10.0%
Visiting Vessel Fee (<65-feet)	\$1.75/ft.	\$2.00/ft.
Visiting Vessel Fee (>65-feet)	\$2.50/ft.	\$3.50/ft.

It is critical that the Waterfront remains fiscally sustainable while covering the cost of operating expenditures and maintaining sufficient reserves for disasters, economic downturns, and capital reinvestment. Being fiscally sustainable ensures the Waterfront is able to provide the expected level of service and thrive for years to come as an amazing place to work, live, recreate, and visit.

You can view the Waterfront, and the entire City's, FY2025 budget online [HERE](#).

4TH OF JULY CELEBRATION UPDATE

This year's 4th of July Celebration takes place on a Thursday, providing the perfect opportunity for a fun and family-friendly event down at the Waterfront. It is expected that thousands of people will come to the Waterfront to enjoy a wide range of activities, music, food vendors, and the spectacular 20-minute fireworks display, which is fully funded by the Waterfront Department and put on by Garden State Fireworks.

In line with promoting safety during the festivities, Harbor Patrol will be participating in "Operation Dry Water." This initiative focuses on raising awareness about boating under the influence (BUI). Boating enforcement agencies across the country take a proactive approach to educate the public about the dangers of BUI and enforce related regulations during popular holiday events. By placing a heightened emphasis on safety, they ensured that boaters enjoyed the event responsibly.

The 4th of July celebration is a citywide effort with support from Waterfront, Parks & Recreation, Public Works, Police, and Fire. In addition to a full day of work on the 4th, City staff and volunteers tackle the cleanup effort first thing in the morning on July 5th. If you'd like to help out with the July 5th beach cleanup you can get more information and register [HERE](#).

For mor information on the festivities visit the City website [HERE](#)

Prepared by: Mike Wiltshire, Waterfront Director