

CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

MEMORANDUM

Date: June 21, 2012
To: Harbor Commission
From: Scott Riedman, Waterfront Director
Subject: **Business Services Report**

New Self-Pay Parking Stations in Garden Street Parking Lot

The installation of two new “Luke” self-pay parking stations in the Garden Street parking lot was completed on May 29. The kiosk, which was previously staffed seven days per week from May 1 through September 30, will remain unstaffed except for peak times such as July 4 and during the summer Concerts in the Park series (Chase Palm Park). The conversion of the Garden Street lot from a seasonally staffed lot to an unstaffed lot will save over \$20,000 in salary expense annually.

The new machines accept cash, coins and credit cards (Visa, MasterCard and Discover), and approximately 50% of sales are now attributable to credit cards.

Harbor Commission Budget Committee Meeting

The Budget Committee (Commissioners Cramer, Kelly and Sloan) met with staff on June 5 to discuss Waterfront reserve policies, MTD shuttle funding, slip transfer fees for 25’ slips, and enhancing the Budget Committee’s involvement in the Fiscal Year 2014/2015 budget development and review process.

The City Council Finance Committee has been reviewing reserve policies for the General Fund. During the review process, the Finance Department recommended that Waterfront staff evaluate its current capital reserve/Harbor Preservation Fund policy to determine if any changes are warranted and bring any recommendations to the Harbor Commission. The results of that evaluation will be discussed as a separate item on next month’s agenda.

The elimination of the City’s Redevelopment Agency left a \$300,000 shortfall in funding for the MTD Crosstown Shuttle, the Carrillo Commuter Lot Shuttle, and the Downtown/Waterfront Shuttle. Staff reviewed MTD’s proposed plan to make up the \$300,000 shortfall with the Budget Committee:

- Eliminate the Carrillo Commuter Lot Shuttle \$102,000 savings
 - Reduce service on the Crosstown Shuttle \$101,000 savings
 - Increase fare on Downtown/WF Shuttle
from \$0.25 to \$0.50 \$ 75,000 revenue
 - Consider using Waterfront funds \$ 22,000 +/-
- \$300,000

The \$0.25 fare currently generates approximately \$115,000 in revenue per year. Doubling the rate to \$0.50 could potentially double the farebox revenue, making use of Waterfront funds unnecessary. However, there could be some loss of ridership due to the fare increase. Therefore, MTD's \$75,000 revenue projection is somewhat conservative. If the farebox revenue is more than the \$75,000 projection, Waterfront Department funding would be less than \$22,000. It is important to note that the Merchants' Associations and Conference and Visitors' Bureau (CVB) support the continuation of the Downtown/Waterfront Shuttle Service.

At the June 6 Council Budget work session, the Council voted to support the above-referenced plan to make up the \$300,000 MTD shortfall. The amount of Waterfront Department funding needed, if any, will be determined at the end of FY 2013, after the farebox revenue is confirmed.

Slip transfer fees for 25' slips is currently \$300 per foot, increasing to \$325 per foot on July 1. At the March 15, 2012, Harbor Commission meeting, there was some discussion of "freezing" the 25' slip transfer fee at \$300 per month, much like the 20' slips, which were frozen at \$200 per month four years ago. The Commission referred this item to the Budget Committee for review. Since more 25' slips transferred this year compared to last year (16 vs. 12), the Budget Committee decided to table the 25' transfer fee discussion until the FY 2014/2015 budget process begins.

Next year, the City's FY 2014/2015 budget development process will begin with updating the six-year Capital Improvement Plan (CIP). The CIP is usually developed by staff in September and presented to the Harbor Commission in October. The Budget Committee requested to reconvene in August or September to allow sufficient time for a thorough review of the Department's FY 2014/2015 operating budget and Capital Improvement Plan.

Attachment: MTD Contract Changes / June 6, 2012, Public Works Memorandum

Prepared by: Scott Riedman, Waterfront Director