



City of Santa Barbara
Downtown Parking Committee

Memorandum

DATE: January 10, 2019

TO: Downtown Parking Committee

FROM: Robert J. Dayton, Transportation Planning and Parking Manager
Victor Garza, Downtown Plaza and Parking Manager

SUBJECT: 5-YEAR FINANCIAL STRATEGIC PLAN

RECOMMENDATION:

That the Downtown (DPC) Parking Committee receive a draft of the 5-Year Financial Strategic Plan.

Staff is seeking a recommendation from the Committee to continue working on implementation of the plan. Once finalized, Staff would use the 5-Year Financial Strategic Plan as a guide to prepare the next and future Downtown Parking budgets and as a way to help City Council understand the rationale behind Downtown Parking Committee budget proposals.

DISCUSSION:

In order to maintain the financial viability of the Downtown Parking Program over time, staff has developed a 5-Year Financial Strategic Plan. The goal of this plan is to generate a minimum of 5% (approx. \$500,000) above operating expenses each fiscal year to be put aside for maintenance and capital expenditures.

For the last twenty years, the Downtown Parking Program has been able to maintain a program fund balance of at least two to three million dollars above the minimum levels required by Council. These program reserves, above Council policy, have funded a robust Capital (CIP) Improvement Program, including addressing long-term maintenance issues, unexpected and expensive maintenance problems. Also, with the dissolution of the Redevelopment (RDA) Agency, the Downtown Parking Program has been tasked with taking on additional responsibilities to ensure the economic vitality of the Downtown core, creating an additional staffing, program, and financial burden.

Due to rising staffing and maintenance and other program costs, combined with stagnating hourly revenues, staff estimates program reserves will dip below Council's

required levels in less than five years. The 5-Year Financial Strategic Plan is a mechanism to discuss and stage cost reductions and revenue generating options that will maintain reserves above Council policy and fund an effective CIP, and other important Downtown programs. Staff has attached a draft outline of the 5-Year Financial Strategic Plan for the Committee's discussion.

On December 12, 2018, Staff submitted a preliminary draft of the 5-Year Financial Strategic Plan to the DPC's Finance Subcommittee for their review and comment. With some comment and minor changes requested, the Subcommittee was supportive of the preliminary draft plan and recommended placing it as an agenda item for a full Committee discussion at their January 2019 meeting.

Downtown Parking (DRAFT) 5 – Year Financial Strategic Plan

Goals:

- Generate a minimum of 5% (\$462K) above operating expenses in order to fund ongoing capital needs and programs essential to the economic vitality of the Downtown core
- Meet the challenges of rising operational and facility maintenance costs
- Compensate for stagnant and/or declining hourly revenues, and economic downturns
- Scope, Plan and Fund a robust CIP that addresses Public Safety and long-term maintenance issues, while balancing budget, workload and impacts to parking operations
- Submit to the Downtown Parking Committee in January '19
- Implement with the next Fiscal Year budget that starts July 1, 2019

Cost Savings Options

Annual Savings

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|---|----------|
| • Reduce Lot Operator Staffing levels; close 2 nd kiosks, automate surface lot (772 hours) | \$10,000 |
| • Reduce hourly maintenance worker staffing and replace with contractors (1052 hours) | \$15,000 |
| • Replace landscaping with drought tolerant plants | \$12,500 |
| • Complete the LED retrofits in all parking lots, garages, and office spaces | \$7,500 |
| • Reduce credit card fees | \$13,000 |

Revenue Generating Options

Annual Increase

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|--|-----------|
| • Raise monthly parking permit fees \$5/month | \$91,740 |
| • Raise RPP parking fees (3,000 permits) \$5/year | \$15,000 |
| • Raise rent for the Call Center and Environmental Services 2% | \$1,480 |
| • Lease the Bike Spot space at the Granada Garage \$2/sf | \$26,400 |
| • Lease the Bike Module at the Transit Center Lot \$500/month | \$6,000 |
| • Implement a new PBIA methodology that increases net annual revenue to DTP | \$35,000 |
| • Lease the unoccupied half of the REA building at the Depot Lot \$3/sf | \$36,000 |
| • Implement on-street priced parking in the Funk Zone (66 spaces) | \$60,000 |
| • Implement Pay by Phone parking in the City Hall Lot | \$24,000 |
| • Review DTP Fee Resolution every other year | |
| • Develop a pricing strategy for monthly permits in Lots 2 and 10 | |
| • Implement a “Closed Loop” system – hourly parking rates in effect 24/7 | |
| • Monthly parking permit program for downtown residents (100 x \$160) | \$192,000 |
| • Eliminate the 75 minute shuffle in the lots | |
| • Investigate parking management strategies for the Downtown hourly spaces to increase revenue | |
| • Increase the number of EV Charging Stations | \$24,000 |

Year One – FY20

- Re-Organize Downtown Parking staffing structure to create efficiencies and reduce costs.
- Reduce hourly employee staffing levels and costs 1%
- Stabilize DO Maintenance and DTWF Shuttle costs
- Increase monthly permit fees \$5/month
- Increase rents 2%

Year Two – FY21

- Reduce hourly employee staffing levels and costs 1%
- Implement new PBIA assessments
- Continue to retrofit LED lighting
- Implement Funk Zone on-street priced parking
- Investigate parking management strategies for the Downtown hourly spaces to increase revenue

Year Three – FY22

- Reduce hourly employee staffing levels and costs 1%
- Implement Pay by Phone parking in the City Hall Lot
- Depot Lot Pay by Phone implementation
- Match Residential Parking Permits to 100% cost recovery

Year Four – FY23

- Reduce hourly employee staffing levels and costs 1%

Year Five – FY24

- Reduce hourly employee staffing levels and costs 1%
- Increase monthly permit fees \$5/month
- Increase rents 2%

New and/or Rising Capital and Operational Costs and Other Challenges

- Online Permitting System
- Deployment of Implementation of Priced On-Street Parking Strategies, including Pay Stations
- Allocated Costs
- MTD Shuttle Costs
- DO Maintenance Contract Costs
- Minimum Wage Increases; \$15/hour in FY21
- Credit Card Processing Fees
- Installation of License Plate (LPR) Recognition systems
- Additional hourly staff needed to operate a closed loop system

Implementation of Plan

- Present the draft Plan to the Downtown Parking Committee in January 2019
- Use finalized Plan for budgeting purposes, starting FY20