



City of Santa Barbara
Downtown Parking Committee

Memorandum

DATE: September 12, 2019

TO: Downtown Parking Committee

FROM: Rob Dayton, Transportation Planning & Parking Manager
Victor Garza, Downtown Plaza and Parking Manager

SUBJECT: PBIA ASSESSMENT OF METHODOLOGY PROJECT

RECOMMENDATION:

That the Committee receive an update on the process of reviewing the Parking and Business Improvement Area (PBIA) assessment methodology being performed by Walker Consultants.

DISCUSSION:

The City's Parking and Business Improvement Area (PBIA) assesses businesses located within the Area's boundaries, pursuant to the Parking and Business Improvement Law of 1989 (Cal. Str. & Hwy. Code §§36530-36537). The PBIA gives businesses the opportunity to pay to the City the cost of what they would have had to pay to provide their own parking on their property. With this PBIA assessment, the City is able to offer competitive parking rates to customers by offsetting the cost of operating and maintaining the public parking lots in the downtown core. Funds are collected through a quarterly assessment of each business located in the established boundaries of the PBIA, using a formula based on the type of business, proximity to a parking lot and whether the business provides any of its own customer parking. These formulas were developed by an engineering consultant and described in an Engineer's Report completed in 1999 and last updated in 2010.

The basic methodology in the 2010 Engineer's Report was originally developed when the PBIA was first established in 1970. Since that time, patterns of development, the business and retail mix, and transportation options have changed considerably. As a result, the City is undertaking an effort to conduct a thorough evaluation of the assessment methodology to assure that it reflects current circumstances, including how our parking resources are being used and which properties and businesses benefit. Following a competitive selection process, Downtown Parking contracted with Walker Consulting to re-evaluate the current PBIA structure and produce a new Engineer's Report that

establishes assessment rates and boundaries that ensure businesses that benefit from the Downtown Parking system are assessed in a consistent, equitable manner.

Walker will review Downtown Parking's finances and revenue model, study of the changes in parking usage and customer behavior, and analyze the value of parking services provided.

During the initial phase of the project, Walker will gather extensive data on our budget and our parking system, including who is using the lots and for how long. This will be used to perform a full analysis of the parking system's operations and finances, including a determination of the value of the parking benefits received by businesses who make use of the system. They will also hold a listening workshop to learn about our stakeholders' priorities for the parking system and operations.

By assessing our financial position and program priorities, we will identify our financial and operational needs going forward. Our financial need will be comprised of the revenue we need to sustain operations consistent with identified stakeholder priorities, provide for our future capital and maintenance obligations, maintain reserves at or above Council policy requirements, and consideration of any other priority activities, such as the economic development and vitality of the Downtown core.

The consultants will then determine the gap between our current and projected revenues and our financial need and propose new assessment methodologies to generate the revenue required to close that gap. The Downtown Parking Committee and City Council will have the opportunity to review the funding gap of the full value of the parking benefits alongside the money received for the benefit, as well as consideration of the current funding needs. Staff is hoping to receive direction on the appropriate assessment scenario or a range of scenarios to investigate. These assessment scenarios may include adjusting the PBIA boundaries, assessing organizations not currently assessed, adjusting zones of charge, increasing assessment rates, and other adjustments. Walker may also propose new strategies to generate additional revenues needed to fill DTP's financial need.

Downtown Parking and Walker will collaborate with our stakeholders to arrive at a supportable assessment methodology prior to taking the final Engineer's Report to Council for adoption and implementation. The goal is to implement the new assessments at the start of fiscal year 2021, on July 1, 2020.