



Staff Reports

File #: 162-2020, **Version:** 1

To: Honorable Mayor and Members of City Council
From: Vincent Smith, Community Development Director
Prepared By: Tony Valadez, Parking Programs Manager

TITLE:

Downtown Parking Assessment Area - 2021 Annual Report and Budget

RECOMMENDED ACTION:

Adopt a resolution approving the 2021 Annual Report, budget and Advisory Board for the Downtown Parking Assessment Area, authorizing the City Clerk to schedule a public hearing on June 16, 2020 to levy assessments in accordance with Napa Municipal Code Chapter 3.30; and determining that the actions authorized by this resolution are exempt from CEQA.

DISCUSSION:

In 2004, the business owners in the Downtown Parking Assessment Area ("DPAA") authorized the City to levy assessments in an amount equal to 70% of each business license fee to raise revenue to offset the City's costs associated with the acquisition, design, construction, and maintenance of parking facilities to serve those businesses. The DPAA assessment was established to be equivalent to a tax levied on business owners in the adjacent Parking and Business Improvement Area 1, Benefit Zone 1 ("PBIA"), which was established in 1972 for the same purposes; in other words, the PBIA tax is set at 70% of each business license fee to raise revenue to offset the City's costs associated with the acquisition, design, construction, and maintenance of parking facilities to serve those businesses. The geographical boundaries of the DPAA and the PBIA are shown on Exhibit "B" to the attached resolution.

This report is the annual review of the estimated revenue generated from the assessments in the DPAA, along with the identification of planned expenditures to benefit the businesses, pursuant to the requirements of State law (California Streets and Highways Code Sections 36500, *et seq.* TAs of today, there are 41 businesses operating within the DPAA.

The business owners in the DPAA and the PBIA are not required to provide on-site parking for their customers or employees, thus, assessment and tax revenue is collected from those business owners to fund the provision of parking facilities and their ongoing maintenance. The DPAA assessments and the PBIA taxes are collected by the City Finance Department and placed into a fund, managed by the Public Works Department and Parking Programs Manager. The money is used to maintain parking facilities in the DPAA and PBIA. There are twelve surface parking lots and three parking structures in the Downtown that are maintained with funds generated by these assessments and tax revenue.

The annual report and work program, Exhibit A, has been prepared by the Parking Programs Manager and the Public Works Department, responsible for the maintenance of the parking lots and garages that are funded by the DPAA assessments. This year, the DPAA assessments are expected to generate \$25,000 in revenue.

The outbreak of COVID-19 and shelter in place (SIP) orders have caused tremendous financial strain on local businesses. As most businesses in the assessment area are service businesses heavily dependent on local and tourism traffic, the assessment revenues collected from the DPAA are much lower than prior years.

The annual report and proposed levy of DPAA assessments are subject to annual review and approval by the Council, following a noticed public hearing. The annual report and work program, Exhibit A, has been prepared by the Parking Programs Manager. The DPAA assessments are expected to generate \$25,000 in revenue, which will be budgeted for the work program. The remainder of funds needed for the entire work program will be provided from the PBI taxes (\$90,000), investment earnings (\$1000), and a contribution from the Parking Ticket and Security fund (\$47,000). The Parking Ticket and Security fund is prepared to transfer up to \$163,000 and will be reflected as such on the 2021 budget adjustment presented to City Council in the 2021 midcycle review. The Napa Downtown Association ("NDA") Board of Directors has reviewed and approved the proposed annual report for the DPAA assessment, consistent with the terms of the agreement between the City and NDA (City Agreement No. 9354).

FINANCIAL IMPACTS:

This action results in the receipt of revenue in the City of Napa Parking Maintenance fund. These funds are collected by the Finance Department as business owners in the district boundary acquire or renew business licenses. The mid-cycle review for budget FY 2021 will be adopted by Council in June 2020, including necessary adjustments from the Parking Ticket and Securities fund to the Parking Maintenance fund.

CEQA:

City staff recommends that the City Council determine that the Recommended Action described in this Staff Report is exempt from CEQA, pursuant to CEQA Guidelines Section 15301 (normal operation, maintenance, or repair of public facilities).

DOCUMENTS ATTACHED:

ATCH 1 - Resolution

EX A - Downtown Parking Assessment Area - 2021

EX B - Downtown Parking Assessment Area Boundary

NOTIFICATION:

The Napa Downtown Association Board and City of Napa Public Works Department staff were notified of this agenda item prior to the meeting date.