

Agenda Report

DATE: June 22, 2015

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Department of Transportation

SUBJECT: SHOPPER'S LANE PARKING LOT RATE INCREASE

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the following proposed actions are exempt from review pursuant to the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061 (b) (3); and
2. Increase the hourly rate in the Shopper's Lane parking lots from \$1.00 per hour to \$2.00 per hour; and
3. Increase the daily maximum rate from \$5.00 to \$6.00; and
4. Change the free parking period from two (2) hours to 90 minutes; and
5. Adopt a resolution increasing the hourly parking rate, increasing the daily maximum rate, and changing the free parking period in the Shopper's Lane Parking Lots.

SOUTH LAKE PARKING PLACE COMMISSION (SLPPC)

On May 28, 2015, the SLPPC recommended that the City Council approve a rate increase from \$1.00 per hour to \$2.00 per hour, and increase the daily maximum rate from \$5.00 to \$6.00, and a reduction in the free period from two hours to 90 minutes.

BACKGROUND:

The Shopper's Lane parking lots were created in 1977 as a Parking and Business Improvement District under the provisions of Division 19 of the California Streets and

Highway Code to provide parking for customers and employees of the businesses located on the west side of Shopper's Lane between San Pasqual Street and Cordova Street. One of the components of forming the district was the consolidation through easements of the areas between Shopper's Lane and Mentor Avenue, which allowed the original property owners to retain title to the areas under the parking lots. As such, the parking district has been responsible for the payment of property taxes on the parcels in the parking area.

Expenses to the Shopper's Lane Parking Operations Fund have recently increased significantly due to an increase in property taxes from adjustments made by Los Angeles County for properties in the South Lake Parking Place district that have changed ownership over the last few years. Staff has contested the adjustments and continues to do so, but has not been able to prevail in this matter. The higher property taxes are depleting the unappropriated fund balance in the Shopper's Lane Parking Operations Fund. The SLPPC and staff have reduced expenses to the extent feasible, but the reductions are not sufficient to sustain the increased property taxes. Accordingly, increased revenues are needed to compensate for the increased property taxes and to set aside a reserve for future property tax increases.

Rates in the lots have been set at \$1.00 per hour/\$5.00 daily maximum since prior to 2000, although the free period was shortened from three hours to the current two hours in 2007. Approximately 85% of the transient parkers in these lots stay less than 90 minutes, therefore those affected by the rate increase and reduction in free period will be minimal.

The SLPPC recommended this change in the rate structure in the lots in order to be consistent with the rate structure in the Old Pasadena off street parking facilities. The rate change and installation of new meters at the end of this month will assist in relieving the deficit condition of the fund and the negative fund balance that will occur in FY17 due to the increasing cost associated with property taxes for the parcels in the lots. However, in the absence of a reversion of the property tax to prior assessment levels, additional revenue beyond FY 2017 will be needed to keep the fund healthy.

COUNCIL POLICY CONSIDERATION:

The proposed action is consistent with the following goal of the Strategic Plan: Maintain Fiscal Responsibility and Stability.

ENVIRONMENTAL ANALYSIS:

This rate increase is exempt from CEQA per section 15061 (b) (3), the General Rule. The General Rule can be applied when it can be seen with certainty that the activity will not have a significant effect on the environment. The proposed action will not result in any new development or physical changes.

FISCAL IMPACT:

This rate increase is anticipated to bring in an additional \$14,800 annually to the Shopper's Lane Parking Operations Fund (Fund 217).

Respectfully submitted,



FREDERICK C. DOCK

Director

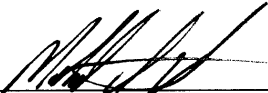
Department of Transportation

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