



Rashi Kesarwani
Councilmember District 1

REVISED AGENDA MATERIAL for Supplemental Packet 1

Meeting Date: March 23, 2021

Item Number: 9

Item Description: Establish a Parking Benefits District (PBD) in the Adeline Corridor and Fiscal Year 2022 Budget Referral

Submitted by: Councilmember Rashi Kesarwani

The item has been amended to include the Gilman District and update the Fiscal Impact to reflect the cost of consulting services for two business districts. Additional edits are included to provide more detail about the concept of a Parking Benefit District, and Councilmember Rashi Kesarwani is added as a co-author.



To: Honorable Mayor and Members of the City Council
 From: Councilmember Ben Bartlett (Author), Councilmember Rashi Kesarwani (Co-Author), & Mayor Jesse Arreguin and Councilmember Terry Taplin (co-sponsors)
 Subject: Budget Referral: Establish a Parking Benefits Districts (PBD) in the Adeline Corridor and Gilman District and Refer Funding to the Fiscal Year 2022 Budget Referral Process

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RECOMMENDATION

Refer to the City Manager to establish a Parking Benefits Districts (PBDs) in the (1) Adeline Corridor and (2) Gilman District in order to finance and support neighborhood improvements--such as landscaping; enhanced lighting; security ambassadors; enhanced street sweeping and sidewalk cleaning; bike, pedestrian, micromobility, and public transit infrastructure; marketing and promotion of the commercial areas, and other potential enhancements to be determined and more--in South and West Berkeley, and

Further, refer to the Fiscal Year 2022 budget process \$50,000 \$75,000 for city staff to hire and manage a seek consulting services to assist in the formation and establishment of the PBDs.

CURRENT SITUATION

Outlined in the Lorin Business Association's vision for South Berkeley and the Adeline Corridor draft plan is a business improvement district (BID).¹ A BID uses fees from businesses and/or property owners to support physical improvements, special events, public safety, street cleanliness/maintenance, and programming. The Lorin Business Association has already spent five years advocating for a BID in South Berkeley but such a district has yet to be established in this community. Thus, the City can take a critical step in supporting innovative revitalization activities in South Berkeley by establishing a Parking Benefits District (PBD) to help the City improve the Adeline Corridor. In addition, the parking revenue generated within the PBD should fund designated neighborhood improvements.

The Gilman District has a similar need for a mechanism to fund necessary streetscape improvements. Establishing a PBD is a financing tool in which revenue is reinvested within the business district in order to fund necessary investments that encourage placemaking and a safe, clean, and pleasant experience for workers and visitors. The Gilman District is home to an eclectic mix of businesses and non-profits, such as art galleries, wineries, breweries, biotech, office space, and an educational farm and community center, among other varied enterprises.

¹ <https://www.cityofberkeley.info/council3/adeline/>

BACKGROUND

The Covid-19 pandemic and resulting Shelter-In-Place orders have had a devastating impact on the vitality of our business districts. The development of a Parking Benefit District (PBD) within a business district is a long-term strategy for establishing a dedicated source of revenue to can enhance and reinvest in a commercial area as it seeks to recover from the economic recession resulting from the pandemic.

Parking benefits districts (PBDs) are defined geographic areas, typically along commercial corridors, in which revenue generated from on-street and off-street parking facilities within the district is returned to the district to finance neighborhood improvements. A PBD ties the economic benefits of parking directly to improving the quality of life in the immediate area.²

PBDs specifically require local parking revenue to stay local, while financing neighborhood improvements. PBDs allow local merchants, organizations, property owners, residents and visitors to clearly see that the monies collected are being spent for the benefit of their district, on projects that they have chosen. In turn, they become willing to support, and often advocate on behalf of the needs of the residents and patrons who utilize the parking.

To improve our commercial districts and expand investments in our neighborhoods, the Council should adopt this item creating a South and West Berkeley PBD with the specific requirement that parking revenues generated in the district is be used for neighborhood improvements. Funds from a PBD could be used in critically important ways, such as hiring full-time staff to manage the following activities: landscaping and streetscape improvementscreening, street cleaning, transit and pedestrian infrastructure, street furniture, marketing of local businesses, management activities, and visitor and security ambassadors.

Determination of how to allocate and use the funds could be managed by a Parking Advisory Committee, a group of representatives from the commercial district, that would make recommendations to City staff on how the revenues would best support the vibrancy of the business district.

In establishing the PBDs, the City should consider a separate permitting system for the benefit of employees of local businesses in order to enable access to parking within reasonable proximity to their place of employment at a fair price. In such a system, local businesses could purchase a certain number of annual permits for employees at a rate that is different from the rate charged to hourly visitors. Fee structures for employee permits versus hourly visitors could initially be determined with the help of the hired consultant.

The request for a PBD is an innovative approach to a real problem in South and West Berkeley. Constituents in both areas have faced many generations of neglect. in this

² See Donald Shoup's Fall 2016 Access Magazine's article: *Parking Benefit Districts:*
<https://www.accessmagazine.org/wp-content/uploads/sites/7/2016/11/access49-web-almanac.pdf>

~~neighborhood.~~ A PBD brings equity, a leg up for ~~our~~ commercial districts to develop in a cohesive, community-oriented way. It also gives ~~our~~ neighborhoods an opportunity to work ~~together communally~~ on issues of mutual interest ~~to South Berkeley in each locale~~, while receiving the resources necessary to improve the quality of life ~~of its for~~ constituents. ~~The establishment of these PBDs could potentially lead to the establishment of PBDs in other areas of the City, adding to the value of this effort.~~

A successful PBD ~~in South Berkeley~~ would also incorporate a number of other key elements that the ~~City Manager Council~~ should ~~also~~ consider:

- Creation of a governing ~~and oversight body~~ Parking Advisory Committee to ~~recommend appropriate uses~~ develop an approved program of revenue ~~generated by the PBD.~~ expenditures, subject to final approval by City Council. This body could take one of several potential forms, such as: ~~A~~ an appointed or volunteer advisory board, which could include residents, property owners, ~~businesses~~ owners and other community organizations operating within South ~~and West Berkeley,~~ residents and eCity staff;
- Implementation of parking meters and pricing structures that facilitate demand-based pricing, with employees of local businesses potentially receiving access to permits that are provided at a different rate from the parking rate charged to hourly visitors;
- Adoption of a defined list of PBD revenue expenditures;
- Development of a coordinated public relations plan, which ~~w~~ could use wayfinding, signage, and public outreach to explain the role of demand-based pricing and articulate how parking revenue is being utilized to benefit the two districts;
- ~~signage, and public outreach to explain the role of demand-based pricing and articulate how parking revenue is being utilized to benefit South Berkeley;~~
- Ongoing evaluation and management of PBD policies and expenditures; and
- City reporting on the funds generated.

REVIEW OF EXISTING PLANS, PROGRAMS, POLICIES, AND LAWS

A PBD is a well established concept used in municipalities around the United States. In California, Pasadena³ and Newport Beach⁴ have used their PBDs to support revitalization needs. Parking management is an issue often overlooked in a neighborhood's development plan. While it may seem like a secondary concern in the quest for economic development, parking management directly impacts accessibility to businesses, customer willingness to travel to certain areas, and the quality of life experienced by residents. Studies have shown that a smart, proactive parking policy can revitalize a neighborhood. South ~~and West Berkeley is-a~~ are prime neighborhoods for this type of engagement.

³ See Donald Shoup's Fall 2003 Access Magazine article focusing on Old Pasadena: <https://www.accessmagazine.org/wp-content/uploads/sites/7/2016/02/Access-23-02-Small-Change-into-Big-Change.pdf>

⁴ See this promotional flyer from Newport Beach: <https://www.newportbeachca.gov/Home/ShowDocument?id=11814>

CONSULTATION OVERVIEW

The District 3 Office consulted with leaders of the Lorin Business Association. Their advocacy has informed this recommendation. The District 1 office has conducted outreach to the Gilman District.

RATIONALE FOR RECOMMENDATION

The Council should promote equity by establishing a Parking Benefits Districts (PBDs) in the Adeline Corridor and Gilman District to finance and support neighborhood improvements in South and West Berkeley. In comparison to the ways the City has invested in other districts, South and West Berkeley ~~has~~ have often been neglected. The Lorin Business Association has long advocated for the establishment of a traditional business improvement district, but such a district has yet to be established in this community. The Gilman District also is in need of additional investment. The Council now has the opportunity to support the ~~se South Berkeley~~ commercial districts and improve the quality of life for ~~its~~ their constituents by establishing a PBD in each business district and dedicating parking revenue funding in the PBD to local neighborhood improvements, such as landscaping, lighting, cleaning, security ambassadors, publicity and promotion, pedestrian and transit infrastructure, and other things that City residents benefit from.

FISCAL IMPACTS

~~Rather than accruing to the City, if the PBD is established, all or a portion of revenue generated from on-street and off-parking facilities will be utilized to finance neighborhood improvements, thereby improving the quality of life in the business district and surrounding area.~~ In order to form the PBDs, a one-time allocation of ~~resources, estimated at approximately \$50,000 \$75,000~~ is ~~required and being~~ referred to the FY 2022 budget process for consulting services for the following activities:

- Working with key stakeholders to help define the general parameters of the PBDs;
- Developing each respective PBD's boundaries, which revenues would be utilized, a draft budget for expenditures, a description of any new meters or other facilities that need be installed, and a timeline;
- Assigning of responsibilities to various organizations and creation of a new non-profit corporation, if needed;
- Development of a timeline with specific tasks and deadlines; and
- Writing of an Ordinance for Council consideration and presentation to the City Council.

~~Likely A~~ Additional costs to establish new meters or other facilities would be identified by the consultant and could potentially be covered by the resulting revenues from the PBD. ~~fiscal impacts, if any, to the City will be analyzed in depth should City Council approve the referral along with the requested budget allocation when the FY-2022 budget is adopted.~~

ENVIRONMENTAL SUSTAINABILITY

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Providing parking for free or below the price that customers are willing to pay unnecessarily subsidizes a carbon-intensive mode of transportation. The City of Berkeley has declared a climate emergency, and it reflects the principles of environmental sustainability to impose a parking fee for the negative externality of greater greenhouse gas emissions emitted by non-electric cars compared to other modes of transportation, such as micromobility devices, public transit, biking or walking.

CONTACT PERSON

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Councilmember Rashi Kesarwani 510-981-7111
Beth Gerstein bgerstein@cityofberkeley.info

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BEN BARTLETT

CITY COUNCILMEMBER, DISTRICT 3

CONSENT CALENDAR

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FISCAL IMPACTS

In order to form the PBDs, a one-time allocation of approximately \$75,000 is referred to the FY 2022 budget process for consulting services for the following activities:

- Working with key stakeholders to help define the general parameters of the PBDs;
- Developing each respective PBD's boundaries, which revenues would be utilized, a draft budget for expenditures, a description of any new meters or other facilities that need be installed, and a timeline;
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