DOWNTOWN COMMISSION
AGENDA REPORT

DATE: November 20, 2013

AGENDA OF: December 5, 2013

DEPARTMENT: Public Works

SUBJECT: Cooperative Retail Management Business Real Property Improvement District (CRM) Expansion

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RECOMMENDATION: That the Downtown Commission consider the benefits and costs produced by the expansion of the CRM District and recommend to the City Council to approve or deny expansion of the CRM district.

BACKGROUND: On February 8, 1994 the City Council adopted Ordinance 94-06 adding Chapter 5.06 to the Santa Cruz Municipal Code, establishing the Cooperative Retail Management Business Real Property Improvement District (CRM), and levying assessments on the properties along Pacific Avenue pursuant to the Parking and Business Improvement Area Law of 1989. The program was initially established for a two-year trial period. The program has been in operation since that time, and in 1996, the area was expanded to include side streets between Cedar and Front Streets and some downtown alleyways.

In accordance with State law, the Downtown Management Corporation (DMC) is the advisory body to the City Council for this District. The DMC Board of Directors, pursuant to its bylaws, consists of nine members, including:

- Three representatives of the City; Mayor and Vice Mayor (or their designees, who must be Council members) and Director of Economic Development or designated Economic Development Staff member.
- Three downtown property owners or designated agents selected by the DMC.
- Three downtown business owners or designated agents selected by the DMC.

The objectives of the Downtown Management Corporation (DMC) as stated in its bylaws are:

- To improve public perception of downtown Santa Cruz by enhancing safety and security;
- To provide information and direction to shoppers and visitors in downtown Santa Cruz;
- To provide a visible presence in downtown Santa Cruz to observe and report street disorder.

The work plan for FY 2014 consists of the continuation of the Downtown Hospitality Program.

DISCUSSION: Some property owners outside the current CRM boundaries have expressed interest in being included in order to take advantage of the Downtown Hospitality Program. With the additional revenue from Cedar and Front Street property owners, the Downtown Hospitality Program would be expanded. The DMC Board would also seek to do additional sidewalk cleaning and trolley operations contribution with this new revenue. The Public Works Sidewalk Scrubbing Program will not be expanded.

The CRM assessments are based upon the linear foot frontage of the real property used for commercial or business purposes within the assessment district at a rate of $19.50 per linear foot of frontage on Pacific Avenue and $15.60 per linear foot of property used for commercial or business purposes distinct from those on Pacific Avenue as follows: between Cedar and Front Streets and located on Soquel Avenue; Locust, Cooper, Church, Walnut, Lincoln, Cathcart, Elm and Maple Streets; Plaza, Locust, Commerce, Elm and Birch Lanes; Pearl Alley; Lincoln-Cathcart and Pacific-Front alley ways.

The Parking District is the largest contributor to the CRM assessment fund, currently assessed at $25,822 yearly. The CRM expansion would increase the Parking Districts assessment by $28,351.40, bringing the yearly contribution from the Parking District to $54,173.40 per year.

The City Parking Lots that would benefit from this expansion would be:

Calvary Church Lot #5
Front St South Lot #11
Front/Laurel Lot #23
Laurel/Front Lot #27

FISCAL IMPACT: The fiscal impact to the Parking District caused by the expansion of the CRM District would be $29,620 per year.

Prepared and submitted by Marlin Granlund, Parking Program Manager.

Attachments:
CRM District Map
CRM Cedar St Properties
CRM Front St Properties
Downtown Parking Map