

City of Santa Monica

“CAN WE TALK?”

Friends of Sunset Park

November 30, 2010



Economic Outlook

- Slow economic growth and continued high unemployment into 2014 and beyond
- Fragile commercial & residential real estate markets with uncertain trends
- Chronic State budget deficit - projected at \$25.4 billion by the end of FY2011/12
- State and local governments facing unprecedented budget challenges



Statewide Ballot Measures Passed

- Proposition 22
 - Imposes further restrictions on the State's ability to shift local funds
 - Prohibits State from taking, borrowing, or redirecting local taxpayer funds including Redevelopment funds
 - Protects funds dedicated to transportation, public transit, and local street maintenance and improvements
- Proposition 26
 - Reclassifies certain regulatory fees as "taxes". Two thirds vote of electorate required for new regulatory fees and increases to existing fees affected
 - Impact on Santa Monica will be analyzed over next few months

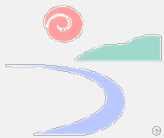
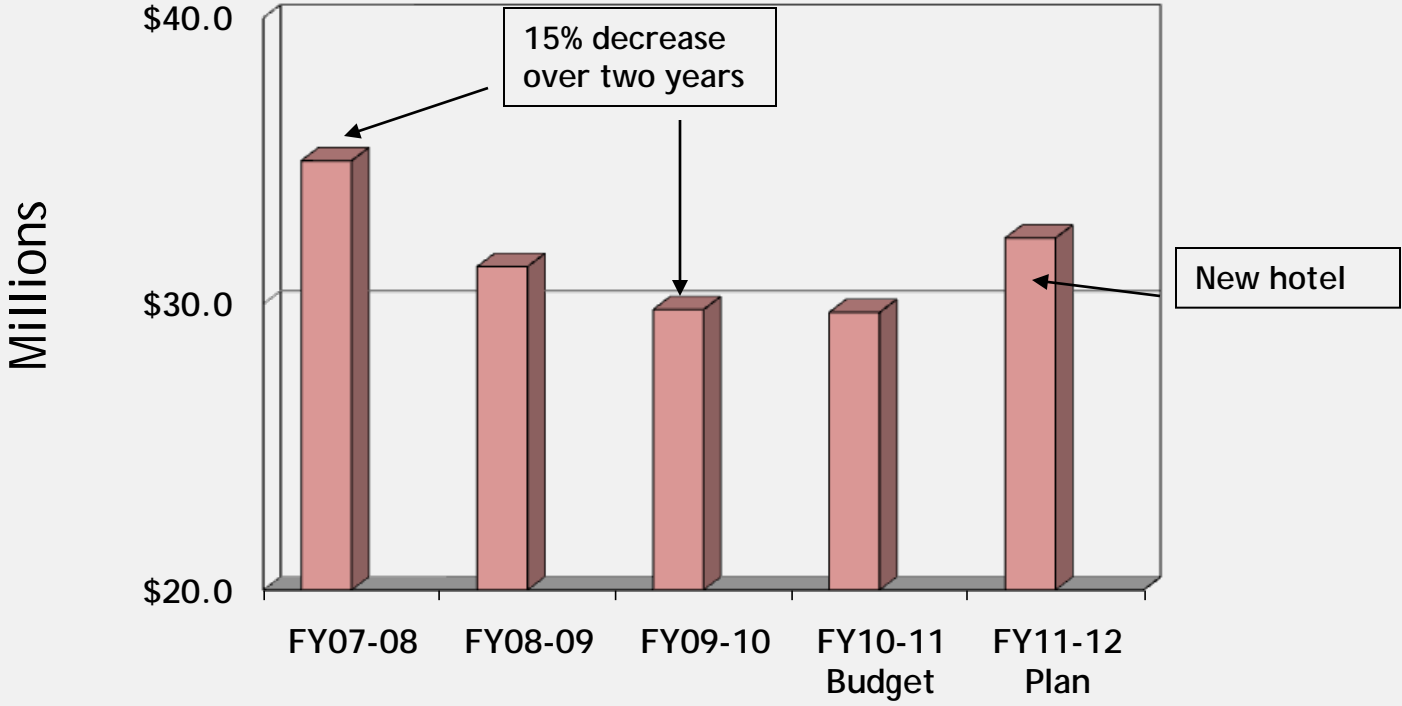


Santa Monica Revenue Outlook

- Local economy showing signs of improvement but still below peak activity levels
- Sales tax declines have bottomed out and revenues have begun slow increase; Santa Monica Place re-opened (revenue impact included in budget)
- New ½ cent transaction and use tax approved by voters
- Tourism related revenues have begun recovery after two years of decreases, but below peak year of FY2007/08



Transient Occupancy Taxes

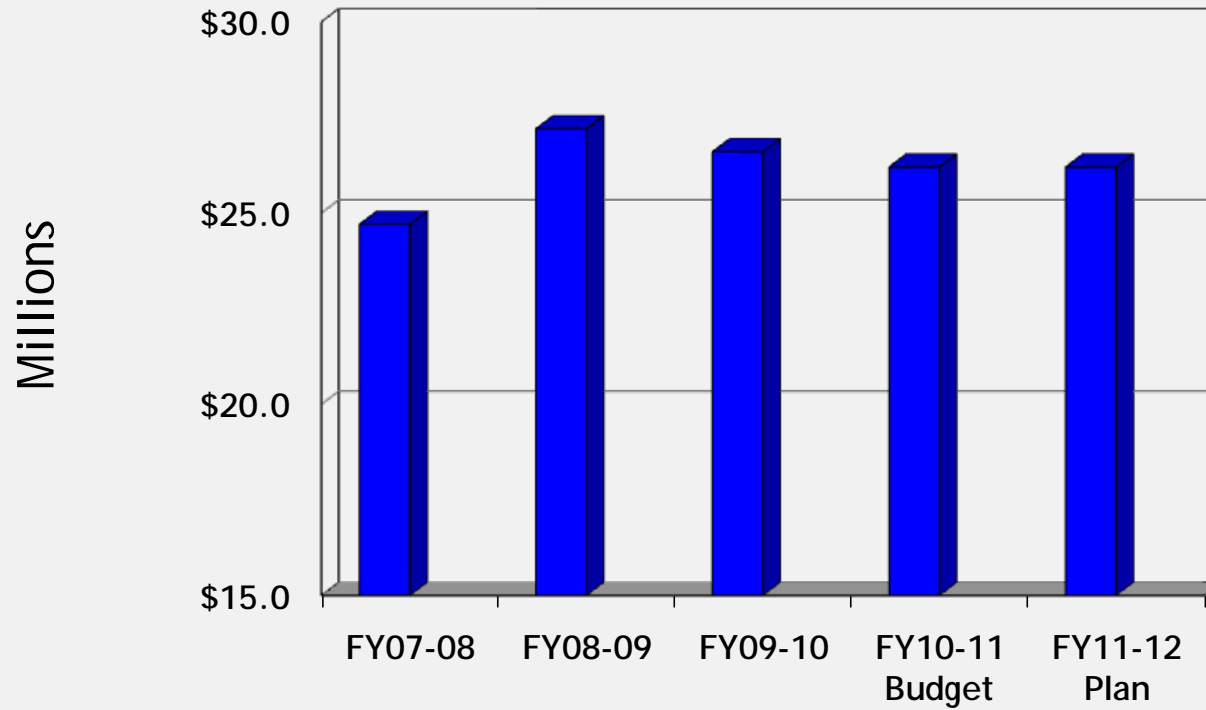


Santa Monica Revenue Outlook

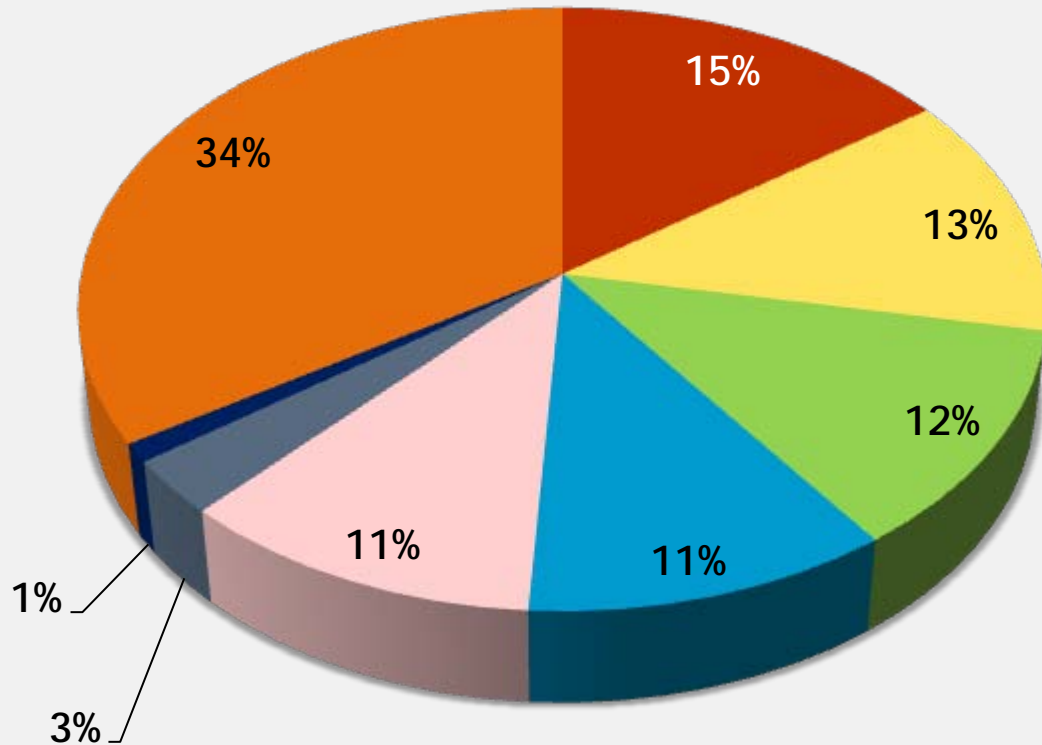
- Decline of 2.1% in FY2010/11 non- RDA area (general fund) assessed property values
 - Only second year of decrease since Prop 13
 - RDA areas showed slight increase overall
- Business license taxes in FY2010/11 and FY2011/12 projected to be 1.6% less than in FY2009/10 and nearly \$1 million less than peak year of FY2008/09
- Local tax revenues not expected to recover to peak year levels until at least 2012



Business License Taxes



Diversified Tax Base

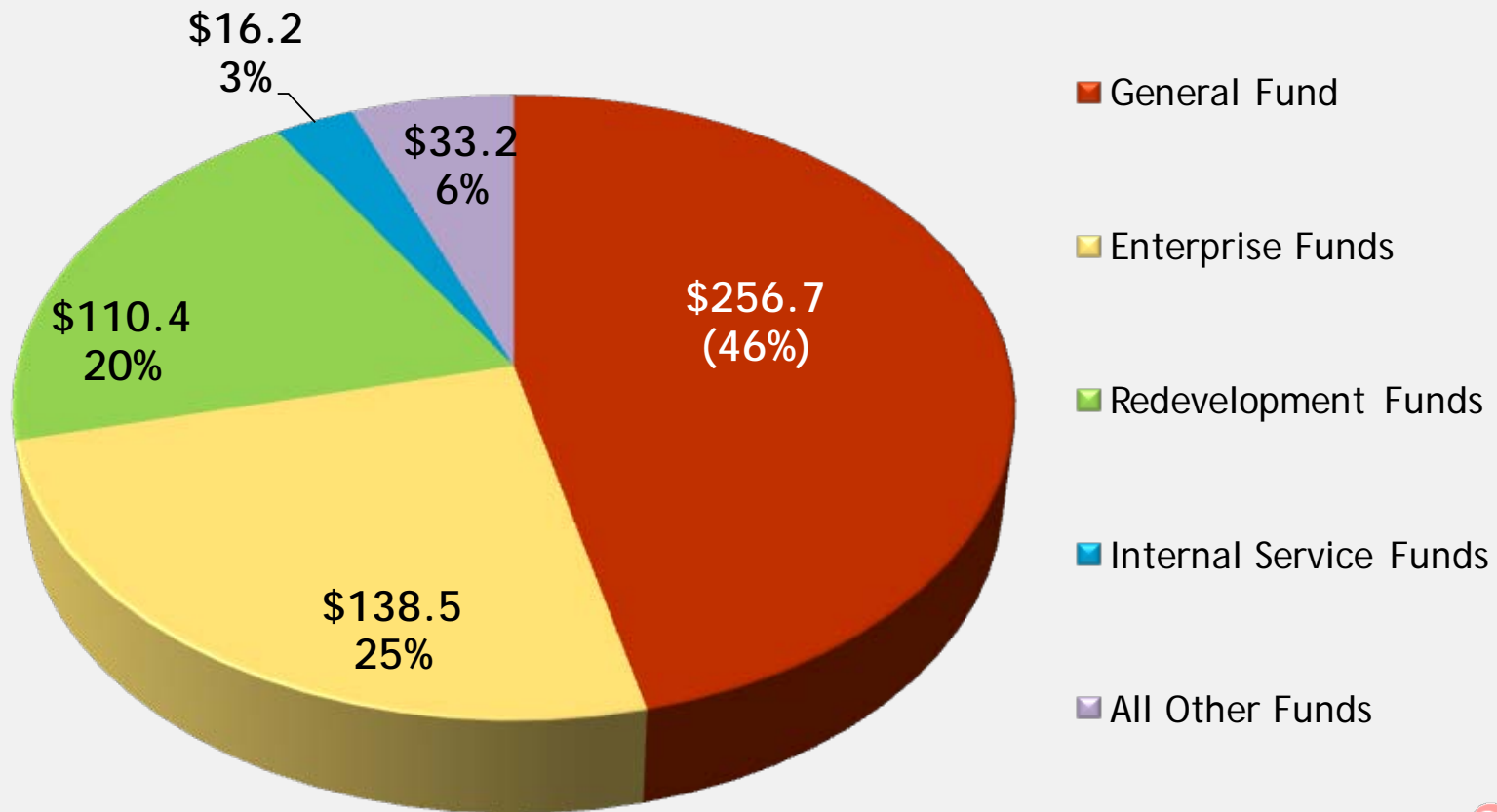


- Property Taxes
- Utility Users Taxes
- Transient Occupancy Taxes
- Sales Taxes
- Business License Taxes
- Parking Facility Taxes
- Real Property Transfer Taxes
- All Other Non-Tax Revenues



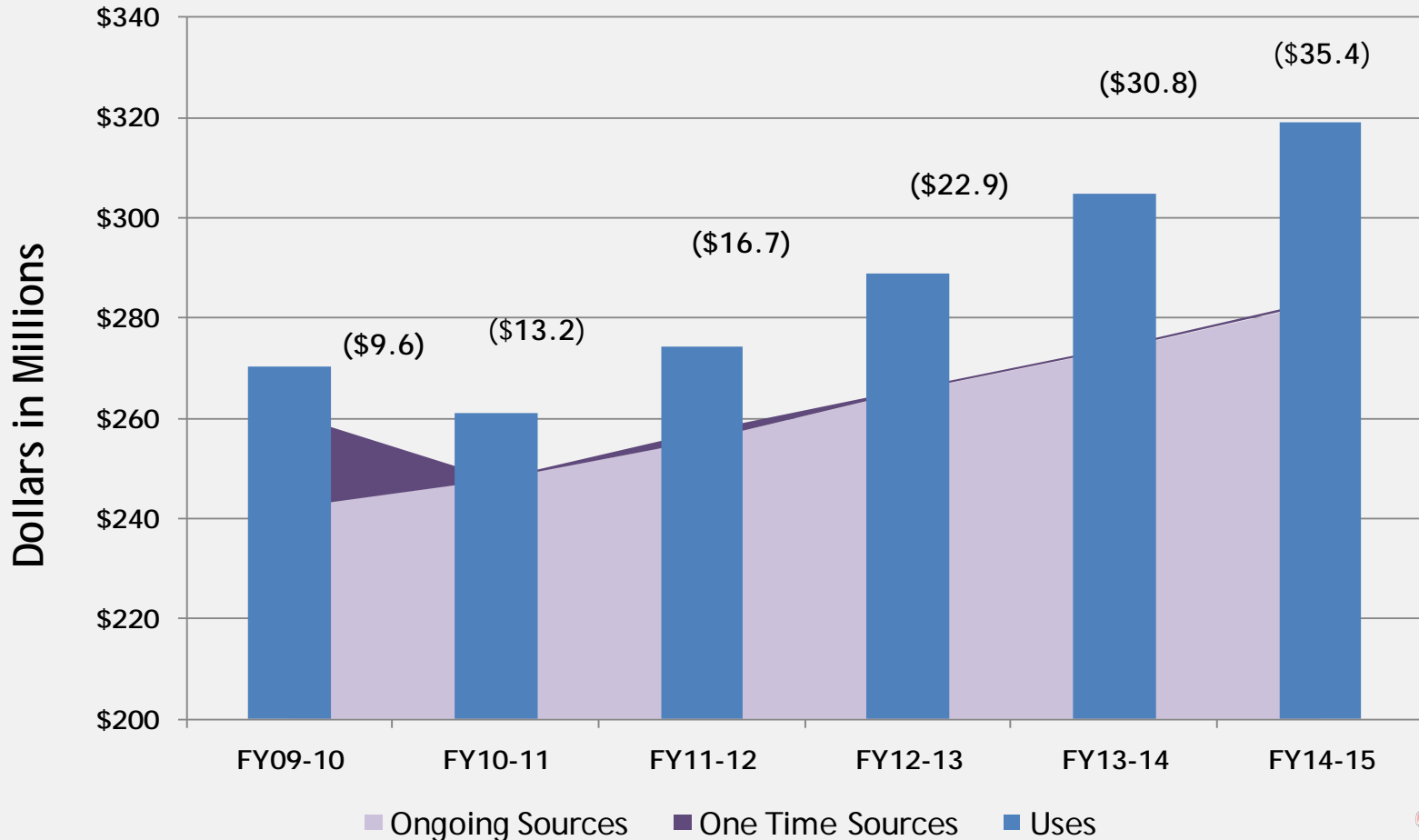
Citywide FY2010-11 Adopted Budget (Expenditures Net of Transfers)

\$555.8 Million Total



5-Year Forecast Probable Scenario

January 2010



FY2010-11 Budget Deficit Measures

- \$5.6 M reduction in department budgets while avoiding significant service reductions
- Continued selective hiring freeze - 10 positions unfunded; 13.5 positions eliminated since FY2008-09
- One-time reduction in Capital Improvement Program projects (\$2M)
- Fee Revisions/New Fees - \$1.4 million
- Selective use of Economic Uncertainty Designation and other one time funds
- Reduced health insurance costs through provider change and employee contributions - \$1.1 million (\$0.7M General Fund) through 12/31/11



Additional Challenges

- Expenditure growth rates 1.5 to 2 times greater than revenue growth
- New projects' ongoing operating & maintenance costs
- General Fund subsidies to certain funds that are not self-supporting
- Increasing salary & benefits costs
- Deferred maintenance on existing facilities, replacement of aging infrastructure, and unfunded capital projects

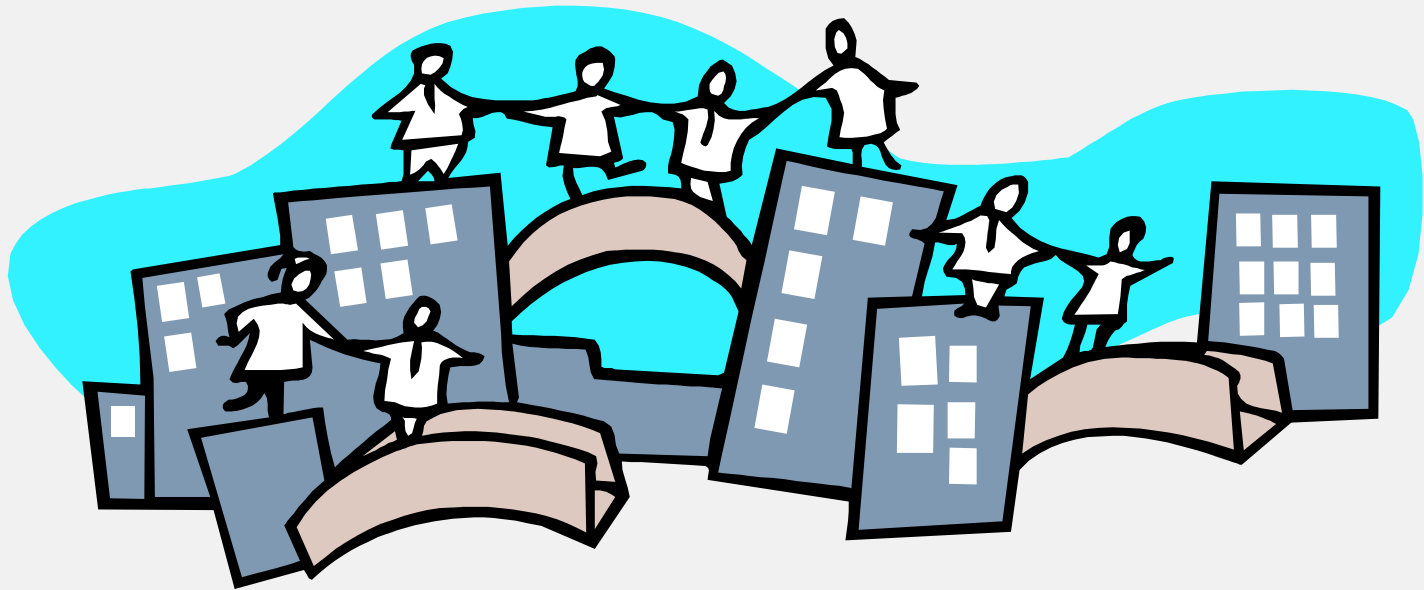


Long-Term Strategies

- Continued cost cutting focused on efficiencies with minimal impacts on customer service
- Employee negotiations to ensure that increases in compensation costs do not outpace revenue growth over the long term.
- Continued business process improvements
- No new programs; increase reserves
- Reduce General Fund subsidy to funds that should be self-supporting (Pier, Civic, Cemetery)



Community Services and Projects



Update



- Part 1 crime down 9%
- Beach and Pier score an “A” on Water Quality Report Card
- Library circulation at an all time high - 5 star rating
- Homeless count shows 25% reduction since 2007
- LA Marathon and Glow events draw large crowds
- 25 active Wi-Fi hot zones; iPhone app connects citizens to City government



LUCE Implementation

Neighborhood Conservation

- Creating new overlay districts
- Outreach to neighborhoods

Moving around the City

- Bicycle Action Plan
- Trip reduction requirements for new projects
- New projects – transportation improvements

Interim Zoning Ordinance

Area Plans underway

- Bergamot/Mixed-Use Creative
- Downtown/Civic Center



Charnock Well Field Restoration Project

- Water treatment system to remove groundwater contamination from Charnock groundwater & restore this resource as a water supply for the City
- Improvements at the Arcadia Water Treatment facility include water fluoridation, disinfection and softening



- Funded by proceeds from settlements with oil companies
- Construction scheduled to be completed by December 2010





Expo Light Rail Phase 2 Update

- Phase 2 between Culver City & Santa Monica will connect to regional rail system & provide new transit options for Santa Monica residents, employees, & visitors
- Three station locations: Bergamot Station (26th & Olympic); Memorial Park (17th & Colorado); & Downtown (4th & Colorado)



- Construction begins 2012; service begins 2015



Colorado Pedestrian Esplanade



Artist rendering of western end of re-imagined Colorado/Ocean Ave intersection



Freeway Capping

Underway: Evaluating Phase I-entrance to Palisades Garden Walk that allows for inclusion of phasing expansion for expanded cap pieces with additional funding later.



Concept for phased capping to 4th Street with private participation





Infrastructure Projects

- The California Incline Bridge Replacement project is in the design development phase; construction anticipated to begin early 2012
- Palisades Bluff Stabilization completed ahead of schedule and under budget
- Pier Bridge Rehabilitation will improve the structural sufficiency of the bridge; construction tentatively scheduled to begin spring 2014
- Traffic Signal Synchronization upgrades will improve the reliability of the traffic signals, improve traffic flows, and reduce maintenance costs



Infrastructure Projects

- Street resurfacing - 70 blocks
- Sidewalk repair / replacement -126,000 square feet
- Curbs, gutters, and alleys repaired at various locations
- Street lighting retrofit / modernization





Sustainability

- This winter Council will adopt an Ordinance prohibiting single-use plastic carryout bag at the point of sale
- Santa Monica stands with other leading cities in banning Styrofoam, plastics marked #6, and other non-recyclable to-go containers
- Modifications to the leaf blower ordinance increasing education and enforcement; leaf blower reporting telephone hotline is 310-458-4952



Sustainability Report Card

Notable successes include:

- Water demand dropped for past three years
- Solar capacity has more than tripled
- Sales are up 4% at 4 farmer's markets
- Average vehicle ridership exceeded target
- Bike lanes on City streets increased by 11%
- 290 affordable housing units were completed in 2009



Redevelopment Funded Projects



- Palisades Garden Park and City Hall Town Square - \$25 million (under design)
- Rehabilitation and renovation of Civic Auditorium - \$25 million
- Collaboration with Santa Monica College for new Laboratory Childcare Education Center in Civic Center - \$5.6 million
- Open space and cultural improvements adjacent to Civic Auditorium - \$21 million
- Civic Center Joint Use project - \$55.9 million



Santa Monica Airport

- City responding to concerns over the FAA proposed Instrument Flight Rules takeoff departure procedure for propeller aircraft
- A consultant is studying alternative courses of action that will be proposed to the FAA
- Different flight path scenarios will be analyzed with the goal of reducing the impact of noise on affected communities
- City has requested that the FAA conduct a full environmental review and comprehensive public process



Friends of Sunset Park

Neighborhood Update



Friends of Sunset Park Update

Mobility, Parking & Transportation

- Strong Transportation Demand Management requirements are being incorporated into new Development Agreements in accordance with LUCE principles:
 - Promote commuting by transit, carpool, bicycling, and walking
 - Employee trip reductions
 - Shared parking
 - Bike linkages to light rail
- \$6.5 million in grant funding beginning in FY2012-13 earmarked for new mobility projects



Friends of Sunset Park Update

Mobility, Parking & Transportation - continued

- Preferential Parking Installed:
 - 2000 & 2200 blocks of 10th Street
 - 1600 block of Ashland
 - 2800 block of 16th Street
- Preferential parking study underway - area bounded by 16th, Ashland Avenue, 18th and Dewey Street
 - Anticipated completion is December 2010
 - Community meeting planned for January 2011
- New “share the road” signs on the east side of 11th Street between Marine and Wilson Place



Friends of Sunset Park Update

Parking and Traffic near SMC



- Discussions continue between City staff and SMC staff and students regarding access and parking:
 - Test new parking meter technology in 2011 to better manage on-street parking
 - Work with SMC staff to address off-street parking needs
 - Improve bicycle access and parking



Friends of Sunset Park Update

Parking and Traffic near SMC - continued

- “Any Line, Any Time” - Santa Monica students continue to have access to all BBB lines
- In accordance with the City’s Employer Trip Reduction Ordinance, SMC increased its rideshare program marketing efforts and increased employee average vehicle ridership by 3%
- Neighborhood parking restrictions continue to be enforced
- Expo Light Rail includes station near SMC



Friends of Sunset Park Update

BBB Mitigation Efforts Since 2007

- Discontinued Sunset Ride service at stop on 20th St. @ Pearl St. (December 2007)
- Instead, Sunset Ride boards/alights riders at existing BBB stop on 20th Street @ Pico Blvd.
- Discontinued Line 6 service stop on 20th St. @ Pearl Street (February 2008)
- Now uses Pearl @ 17th St. to drop off riders (vs. 20th St. @ Pearl)
- Line 6 does not operate on SMC vacations or breaks (7 1/2 weeks/yr)
- Reduced service on Sunset Ride on Fri and every day in summer by 6 trips (August 2008)



Friends of Sunset Park Update

BBB Mitigation Efforts Since 2007 - continued

- Re-routed Line 6 completely off 20th Street and reduced trips by 6 daily (February 2009)
- Reduced Sunset Ride trips by 3 daily (February 2009)
- Reduced Crosstown Ride by 5 trips daily after 7:30 pm (June 2009)
- New Electric Hybrid buses in service - reduced noise from neighborhood buses (July 2010)
- Reduced Sunset Ride on Friday by 11 trips (June 2010)



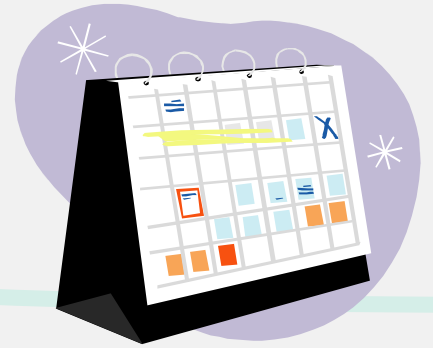
Friends of Sunset Park Update

Donald Douglas Museum of Flying

- Museum suspended operations in July 2002 citing lack of funding
- Following an extensive public process, the City approved the relocation of the Museum to 3090/3100 Airport Avenue adjacent to the DC-3 Monument
- Museum of Flying/DC-3 Monument complex will create a cultural focal point for the Airport, displaying aircraft, artifacts and historical exhibits
- Plans and specifications are undergoing final review in the City's Building and Safety Division with construction of new museum anticipated to begin shortly
- Museum of Flying expected to open in spring 2011



Key Budget Dates



- Community Priorities Input
 - November/December Community Meetings
 - Boards & Commissions
 - February 8, 2011 Council Discussion on Five Year Forecast and Community Budget Priorities
- City Council Budget Workshops (tentatively set for May 24 - 26)
- Public Hearing on Proposed Budget and Adoption of Budget (tentatively set for June 21)



Provide Your Input

1. Fill out comment card tonight
2. Visit City's Website at: www.smgov.net/budget
3. Send an email to: budget@smgov.net
4. Attend City Council Meeting: February 8, 2011

