

# *City of Santa Monica*

*“CAN WE TALK?”*

Mid-City Neighbors

December 6, 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

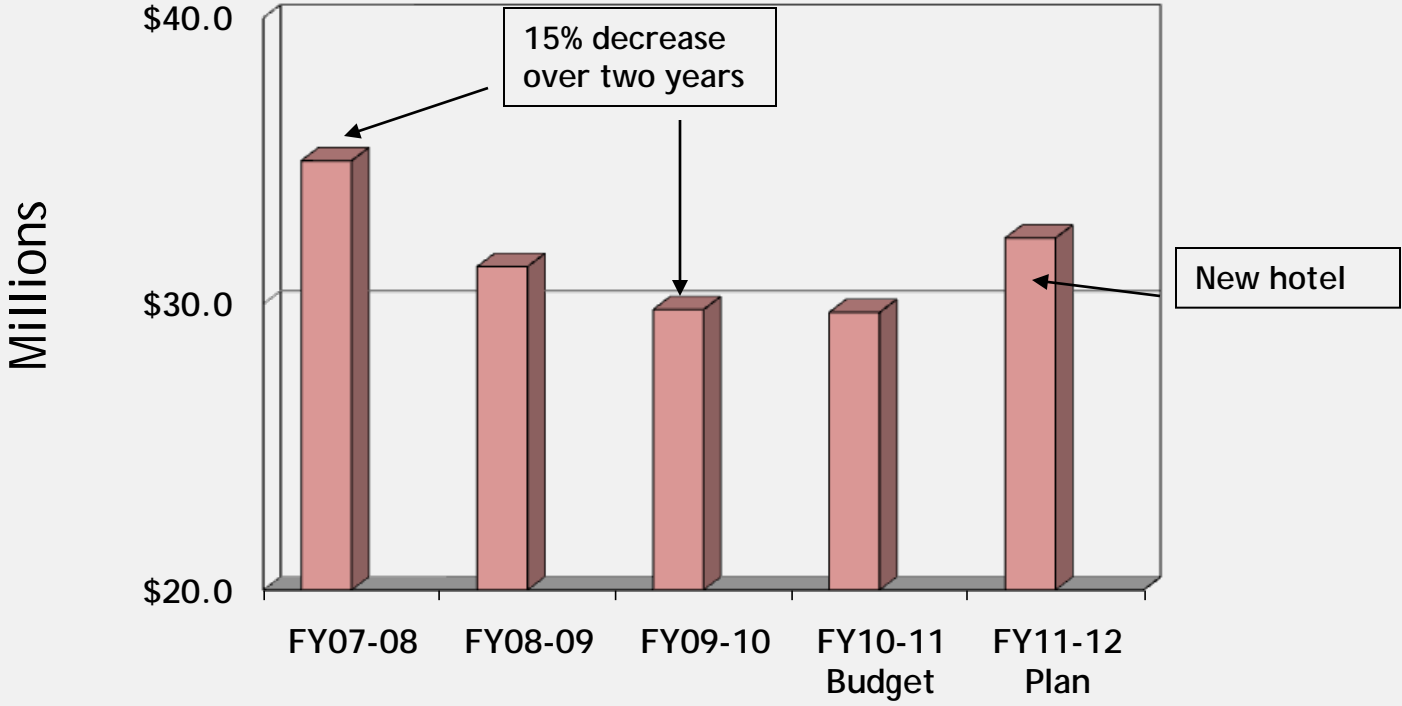


# *Santa Monica Revenue Outlook*

- 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

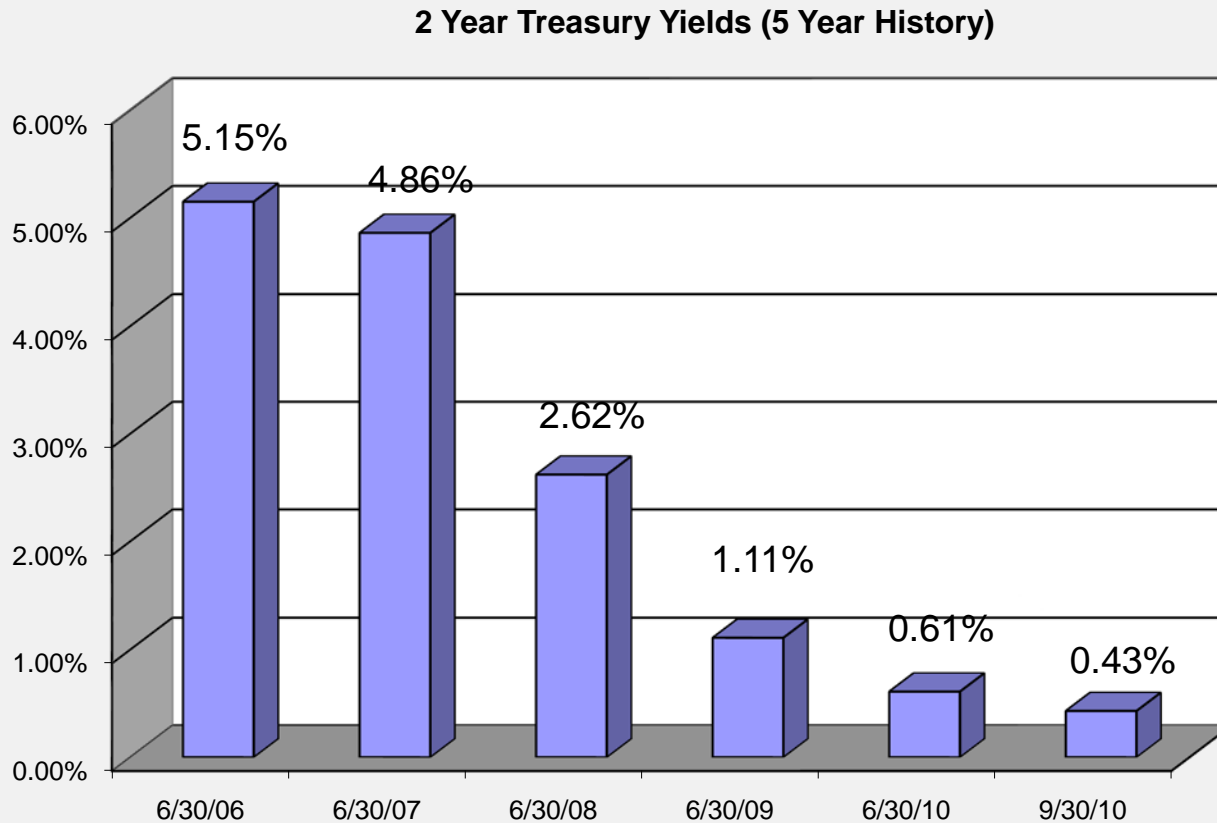


# *Santa Monica Revenue Outlook*

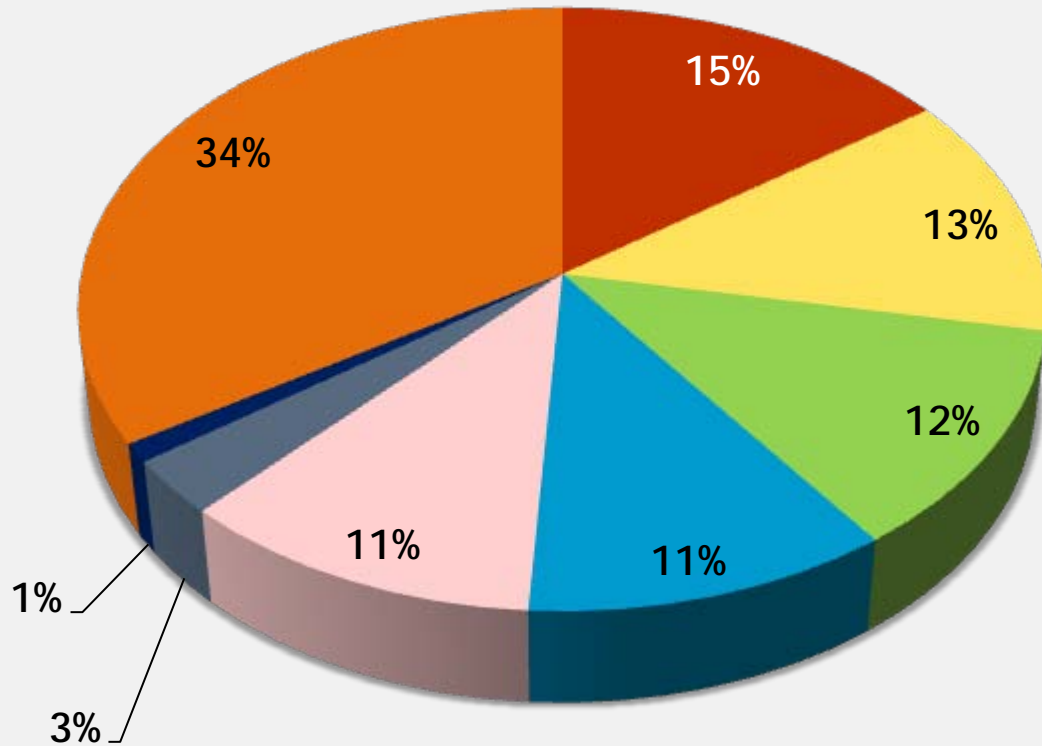
- Decline of 2.1% in FY2010/11 non- RDA area (general fund) assessed property values
  - Only second year of decrease since Prop 13
  - RDA areas showed slight increase overall
- Business license taxes in FY2010/11 and FY2011/12 projected to be 1.6% less than in FY2009/10 and nearly \$1 million less than peak year of FY2008/09
- Record low interest rates impacting investment income
  - Year-to-date revenue is down 50%
  - \$1 - 2 million decrease (General Fund)
- Local tax revenues not expected to recover to peak year levels until at least 2012



# Declining Interest Rates



# Diversified Tax Base

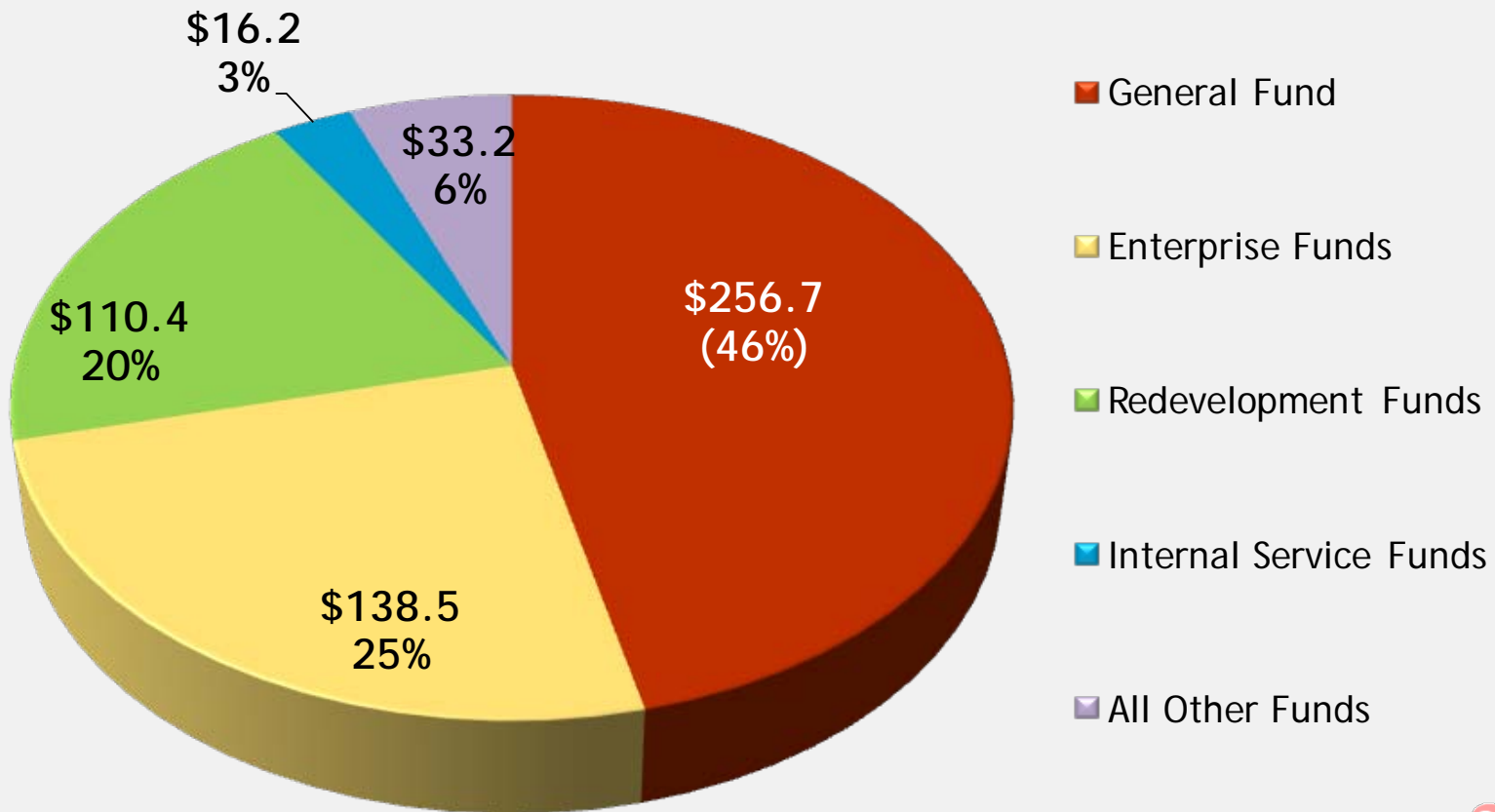


- Property Taxes
- Utility Users Taxes
- Transient Occupancy Taxes
- Sales Taxes
- Business License Taxes
- Parking Facility Taxes
- Real Property Transfer Taxes
- All Other Non-Tax Revenues



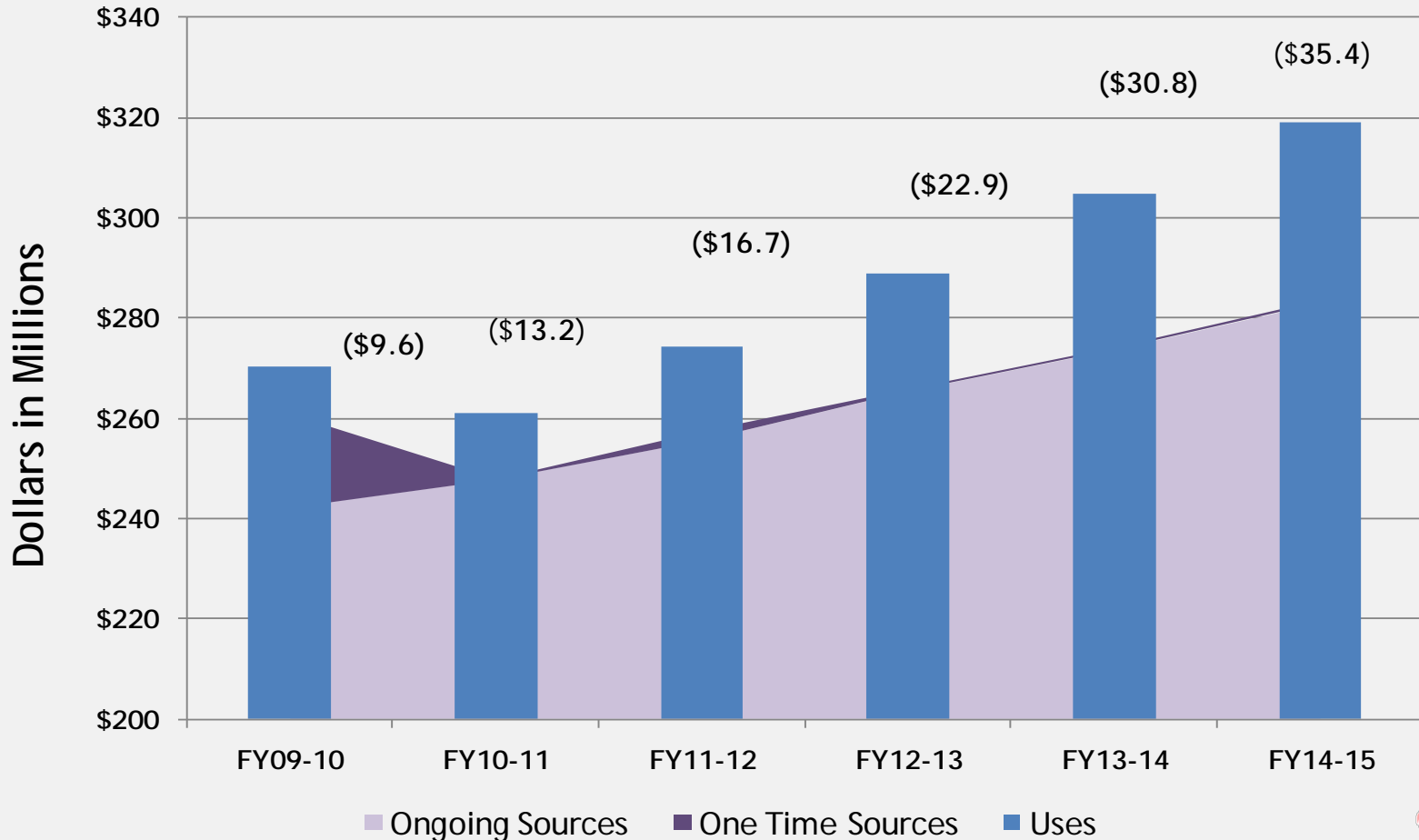
# Citywide FY2010-11 Adopted Budget (Expenditures Net of Transfers)

**\$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

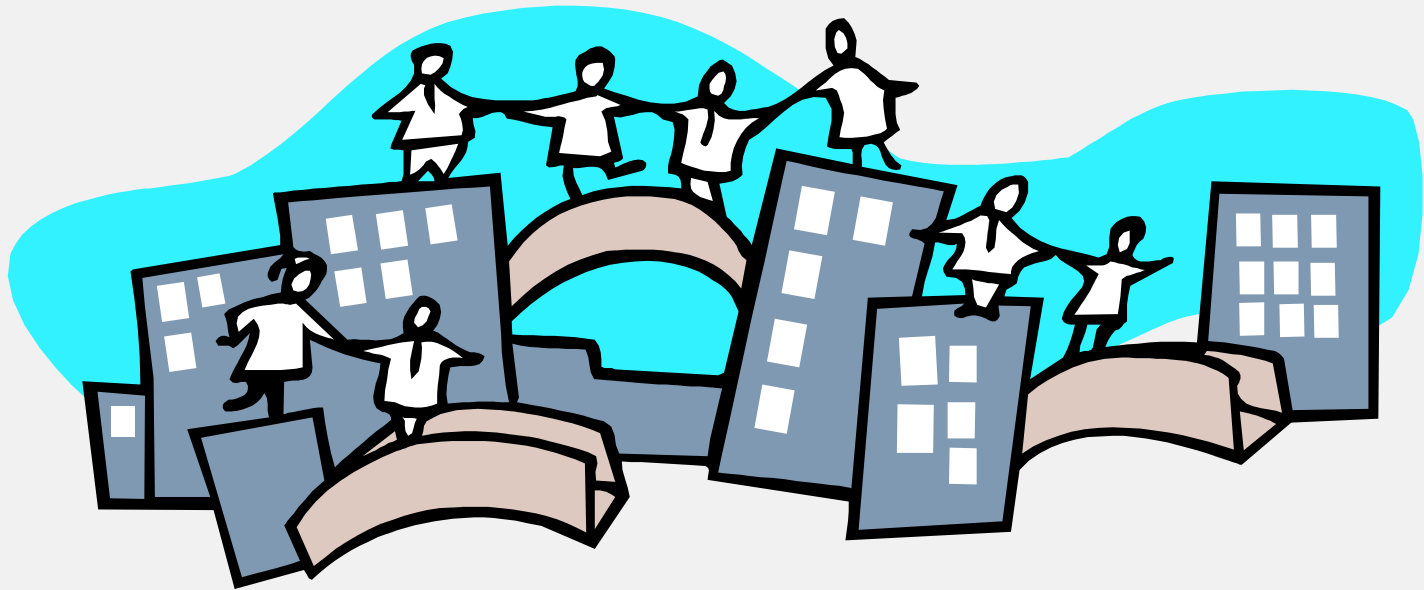


# *Long-Term Strategies*

- 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%
- Fire Department will continue to train and foster response partnerships relating to event and emergency preparedness
- 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
- Big Blue Bus ridership has increased 5.3% from 2007



# 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 (26<sup>th</sup> & Olympic); Memorial Park (17<sup>th</sup> & Colorado); & Downtown (4<sup>th</sup> & 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 4<sup>th</sup> 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



# *Mid-City Neighbors Neighborhood Update*



# Mid-City Update

## Transportation & Parking

- 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



# Mid-City Update

## Transportation & Parking - continued

- Preferential parking occupancy study currently underway for area bounded by Santa Monica Boulevard, Centinela Avenue, Colorado Avenue, and Yale Street in response to petition for increased evening restrictions
  - Anticipated completion is December 2010
  - Community meeting planned for January 2011
- Modified the crosswalk at 26<sup>th</sup>/Cloverfield Boulevard and added additional high visibility signage



# Mid-City Update

## Transportation & Parking - continued

- New bike lanes on Arizona Avenue between Lincoln Boulevard and Ocean Avenue



- New bicycle lanes to be installed in each direction on 14<sup>th</sup> Street between Wilshire and Washington



# *Mid-City Update*

## Transportation & Parking - continued

- Recent measures to increase parking availability for residents:
  - Hours extended in City Lot 8 on 16th Street near Wilshire to allow more overnight parking
  - St. Monica's will make 15 parking spaces available in evening to nearby residents as condition of Developer Agreement for Campus Enhancement program
- New all way STOP signs added at:
  - 22nd, 23rd, and 24th Streets and California Avenue



# Mid-City Update

## Development Process

- Development process provides for community input on all major City projects at multiple stages:
  - During concept review stage
  - During formal application process
- Community meetings focus on obtaining public input on project design, proposed uses, intensity of development, and desired community benefits:
  - Concept review comments help shape plans submitted for formal application review
  - Community meetings after formal application filing allow neighbors to comment on the project refinements and community benefit details



# *Mid-City Update*

## Development Process - continued

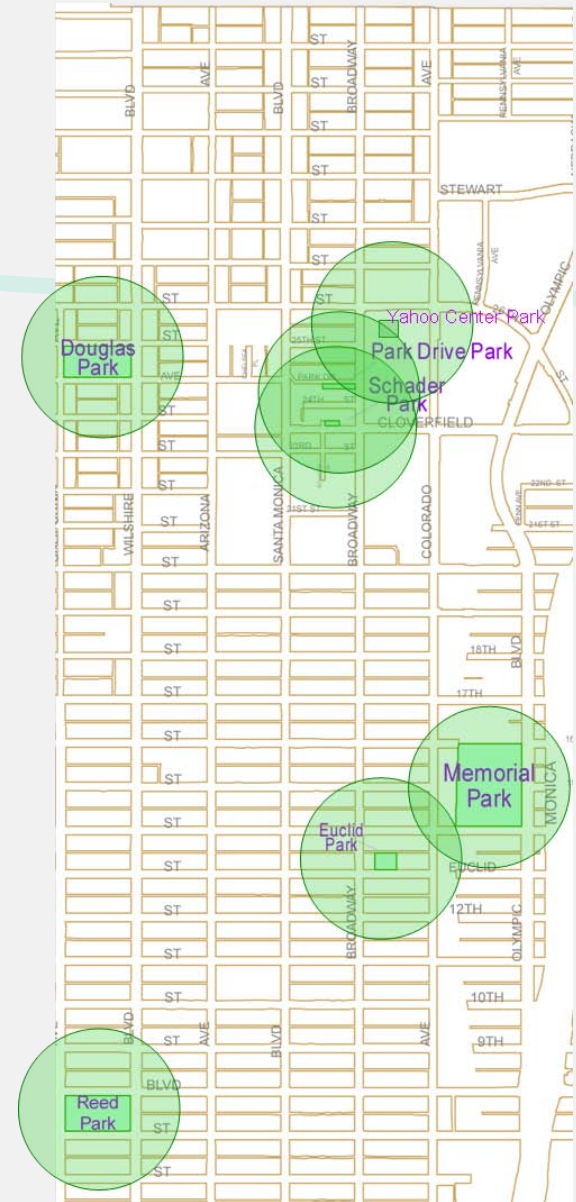
- New efforts to expand community outreach and input on development projects include a broader notification radius for community meetings and phone calls to neighborhood group representatives inviting them to both community meetings and project public hearings



# Mid-City Update

## Parks in the Mid-City Area

- The Mid City Neighborhood contains four parks, the largest of which is Yahoo Center Park; It is open to the public
- The neighborhood is bordered by three large multiuse parks - Douglas, Reed and Memorial
- One strategy to address the lack of parkland in this area of Santa Monica is to secure open space public benefits through development, as proposed in the LUCE



# Mid-City Update

## Noise Enforcement

- Immediate and singular incident noise complaints are handled by the Police Department as “disturbance of the peace”.
- Continued noise complaints are referred to Planning and Community Development Code Compliance, where complaints are logged and tracked for regular patterns.
- Further noncompliance results in Code Compliance staff meeting with bar owner to alert them of complaints and staff investigating for zoning, and/or alcohol license violations.
- Continued non-compliance could result in Notice of Violation, Citation, or prosecution.



# Mid-City Update

## Bergamot Transit Village Master Plan

The Planning process is underway to create a Transit Village that encompasses the existing Arts Center, Expo LRT station, and LUCE Bergamot & Mixed-Use Creative districts

- Maintain the character of Bergamot Arts Center with
  - Improved access and visibility
  - Increased visual and performing arts, galleries and live-work
- New affordable, workforce, and artist housing opportunities
- Emphasis on creative arts and entertainment employment



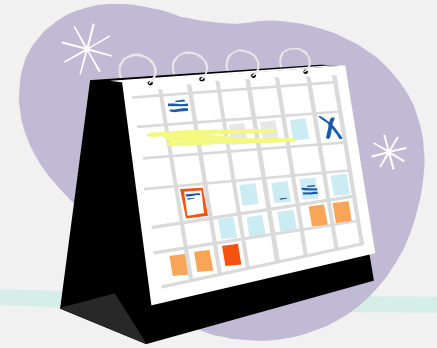
# Mid-City Update

## Bergamot Transit Village Master Plan - continued

- Local serving retail & community services
- Walkability and connectivity
  - Wider sidewalks/human-scale city blocks
  - New green connections - Safe/attractive pedestrian pathways
  - Bicycle lanes and facilities - including regional bike path
- Transportation Demand Management to reduce vehicle trips
- Community benefits - open space, shared parking, community facilities, and expanded housing opportunities



# 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](http://www.smgov.net/budget)
3. Send an email to: [budget@smgov.net](mailto:budget@smgov.net)
4. Attend City Council Meeting: February 8, 2011

