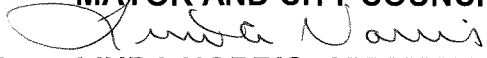



FOR COUNCIL MEETING OF:
AGENDA ITEM:

June 27, 2011
4.2 (d)

TO: MAYOR AND CITY COUNCIL
THROUGH:  LINDA NORRIS, CITY MANAGER
FROM:  JOHN H. WALES, DIRECTOR
URBAN DEVELOPMENT DEPARTMENT
SUBJECT: ADOPTING THE BUDGET AND SETTING THE TAX FOR THE
DOWNTOWN PARKING DISTRICT FOR FY 2011-12

ISSUE:

Shall the City Council adopt Resolution No. 2011-38 adopting the budget and setting the tax for the Downtown Parking District for FY 2011-12?

RECOMMENDATION:

Staff recommends the City Council adopt Resolution No. 2011-38 adopting the budget and setting the tax for the Downtown Parking District for FY 2011-12.

BACKGROUND:

Salem Revised Code (SRC) 7.110 requires the Council to adopt, by resolution, a budget for the Downtown Parking District and set the tax for each fiscal year. The Downtown Parking District was established in 1976 to provide funding for economic promotion and public parking within the downtown core. Administration of the District is the responsibility of the City Manager. The Downtown Advisory Board (DAB) provides comments and recommendations on District policies, as well as recommendations on a budget for the operation of the District. The DAB's recommended budget was forwarded to the City Council for consideration and approval along with the City Manager's recommended budget. The DAB did not recommend an increase in the tax.

The City Manager's recommended budget includes a five percent (5%) increase in tax rates within the District. The tax has been increased by this amount each year since FY 2006-07 in an effort to steadily increase the revenue received to more closely align with the cost of services provided within the Parking District.

FACTS AND FINDINGS:

The City Manager recommended a FY 2011-12 operating budget (including carryovers) of \$2,316,350. The City Manager's recommended budget includes a five percent (5%) increase in tax rates within the District for FY 2011-12: from \$137.22 to \$144.10 per parking space, and from \$187.80 to \$197.20 for the minimum tax rate. Per SRC 7.135 all non-exempt businesses shall pay a minimum tax, even if a lower tax or no tax is due based on the tax calculation method.

RESOLUTION NO. 2011-38

**A RESOLUTION ADOPTING THE BUDGET AND SETTING THE TAX FOR THE
DOWNTOWN PARKING DISTRICT FOR FISCAL YEAR 2011-2012**

Whereas, SRC 7.010 establishes a Downtown Parking District (the District) in the area more particularly described therein, to finance and administer a program of economic promotion and public parking within the Salem central business district; and

Whereas, pursuant to SRC 7.100, each person who is not exempt from municipal taxation under state law and who engages in a profession, occupation, or business in the District shall pay to the City of Salem a tax for each tax year to finance the operation and administration of the District, computed in the manner provided by SRC 7.090 to 7.250; and

Whereas, SRC 7.110 provides that the City shall, on or before June 30 of each fiscal year, adopt by resolution a budget for the District and set the tax for the ensuing fiscal year;

NOW, THEREFORE, THE CITY OF SALEM RESOLVES AS FOLLOWS:

Section 1. Pursuant to SRC 7.110, the amount of money necessary to finance the operation and administration of the District for the fiscal year beginning July 1, 2011, and ending June 30, 2012, is \$2,316,350. The budget for the District, including the amounts necessary to finance the operation and administration of the District plus carryover, is attached hereto as "Exhibit 1," which is attached hereto and incorporated herein by this reference.

Section 2. Pursuant to SRC 7.110 and SRC 7.135, for the fiscal year beginning July 1, 2011, and ending June 30, 2012:

(A) The rate of tax for the District is \$144.10 per parking space.

(B) The total tax levied to finance the operation and administration of the District is \$420,170.

(C) The amount of total tax levied for the District apportioned to the Chemeketa Parkade parking structure operation and administration is \$103,575, and the percentage of the total tax levied attributed to the operation and administration of the Chemeketa Parade parking structure is 24.65%.

(D) The amount of total tax levied for the District apportioned to the Liberty Square parking structure operation and administration is \$60,233, and the percentage of the total tax levied attributed to the operation and administration of the Liberty Square parking structure is 14.34%.

(E) The amount of total tax levied for the District apportioned to the Marion Square parking structure operation and administration is \$171,776, and the percentage of the total tax levied attributed to the operation and administration of the Marion Square parking structure is 40.88%.

(F) The total customer parking demand in the District is 2,481 spaces. This determination takes into consideration the total customer demand by the taxpayers in the District less the number of free off-street customer parking spaces provided by the taxpayers within 200 feet of the District.


(G) The minimum tax shall be \$197.20.

Section 3. This resolution is effective July 1, 2011.

ADOPTED by the City Council this 27th day of June, 2011.

ATTEST:

City Recorder

Approved by City Attorney:  _____

Checked by: J. Wales

G:\Group\legal\Council\2011\062711 Parking tax reso.doc

EXHIBIT 1

DOWNTOWN PARKING FUND BUDGET

(170-64-30-10-00)

FY 2011-12

	Manager Recommend FY 11-12
<u>RESOURCES</u>	
Beginning Fund Balance	349,890
<u>Operating Revenues</u>	
Parking tax collections	420,170
Parking permits	552,000
Leasehold reimbursement	150,000
Interest	450
Other revenue	5,000
	<hr/>
<i>Total Operating Revenues</i>	1,127,620
<u>Reimbursements</u>	
Urban Renewal Agency (capital projects)	838,840
	<hr/>
<i>Total Reimbursements</i>	838,840
	<hr/>
Total Current Year Resources	<u><u>2,316,350</u></u>
 <u>EXPENDITURES</u>	
<u>Capital Projects:</u>	
Chemeketa parkade deck renovation (rebudgeted)	69,020
Liberty parkade top deck repair	5,520
Chemeketa building system renovations (HVAC)	310,100
Liberty deck renovations (lower two levels)	120,000
Liberty renovations to stairwell concrete	50,000

Marion deck renovation (expansion joints)	116,000
Marion structural renovations (stairwells, parapet)	145,500
Capital projects - to be identified	<u>22,700</u>
<i>Total Major Maintenance Projects:</i>	838,840
<u>Regular Maintenance/Operation of Structures:</u>	
Landscape maintenance (Parks)	2,700
Striping, meters (Transportation)	6,680
Miscellaneous downtown repairs	5,000
Routine maintenance - Chemeketa	81,190
Routine maintenance - Liberty	40,930
Routine maintenance - Marion	68,640
Replace eight cameras in Chemeketa parkade	32,000
Electricity	90,300
Insurance	<u>14,070</u>
<i>Total Regular Maintenance and Operation</i>	341,510
<u>Maintenance of District:</u>	
Refuse disposal	38,500
Streetscape maintenance contract	10,000
Refuse container maintenance/misc repairs	<u>1,860</u>
<i>Total Maintenance of Parking District</i>	50,360
<u>Security:</u>	
Security services (Parking Services)	<u>445,380</u>
<i>Total Security</i>	445,380

Administration and Overhead

Parking permit administration (Financial/Admin Services)	68,100
Administration and board support (Urban Development)	50,300
Indirect Cost Allocation Plan	<u>105,910</u>
<i>Total Administration and Overhead</i>	224,310

Contracted Services

Contracted services for downtown services	100,000
Parking management: downtown survey, consulting	17,200
Parking management: community outreach/task force	20,500
Parking management: expansion analysis	<u>7,500</u>
<i>Total Contracted Services</i>	145,200

Total Operating Expenditures 2,045,600

CONTINGENCIES 270,750

TOTAL EXPENDITURES 2,316,350

ENDING BALANCE -