



Rashi Kesarwani
Councilmember District 1

CONSENT CALENDAR
January 18, 2022

TO: Honorable Mayor and Members of the City Council

FROM: Councilmember Rashi Kesarwani (Author), Mayor Arreguin (Co-Sponsor), Councilmember Taplin (Co-Sponsor), Councilmember Robinson (Co-Sponsor)

SUBJECT: Referral to the City Manager to Establish a Marina Master Plan for Parking with a Consideration for Establishing a Waterfront Parking Benefits District

RECOMMENDATION

Refer to the City Manager to create a Berkeley Marina Master Plan for Parking with a goal of introducing demand-based paid parking in certain areas of the waterfront as appropriate. Further, refer consideration of a Parking Benefits District (PBD) at the waterfront as a means of reinvesting net parking revenues within this area to provide a dedicated funding source for the troubled Marina Fund.

Considerations for a Marina Master Plan for Parking should include:

- Conducting robust outreach to marina stakeholders in order to: gather feedback about parking needs, communicating benefits of establishing a Parking Benefits District to maintaining and upgrading marina infrastructure, and other issues as appropriate;
- Preparing a preliminary fiscal analysis for possible implementation, including projected revenues and expenditures;
- Determining types of pay stations most appropriate for this area in addition to payment schedules, such as hourly, day passes, and/or frequent user/employee permits.

CURRENT SITUATION AND ITS EFFECTS

While the Berkeley Marina is a beloved amenity with a high volume of users ranging from water sports enthusiasts to birders, dog-walkers and Adventure Playground goers, its infrastructure is failing with capital waterfront expenditure needs exceeding

\$100 million.¹ Years of deferred maintenance has resulted in current outsized needs. The Berkeley Pier is dilapidated and closed to users due to unsafe conditions. Pilings need replacing, finger docks and larger docks are in disrepair, parking lots need complete replacement and both the northern and southern entrances to the main Berkeley Marina area are in need of dredging.² While the City has been addressing some of the most significant needs over time by using various funding sources including grants, loans, and Measure T1 funds, there is currently no available dedicated funding source equipped to address the array of needs. The Marina Fund, the City's mechanism for managing all waterfront revenues and expenditures, was already struggling with a structural deficit before the pandemic. Since the start of Covid, all reserves have been drawn down exacerbating the dire fiscal circumstances.³ Improvements are needed to retain the businesses and berth renters whose payments help support the Marina Fund.

Efforts to improve the Marina for all users and address the precarious condition of the Marina Fund have been several years in the making. As early as spring 2018, City staff reported to Council on the fiscal concerns at the Marina and with the supporting Marina Fund.⁴ At that time and to this day, these concerns focus on both infrastructure and security needs. As Marina parking lots saw an increase in car break-ins and vandalism on top of the docks' disrepair, berth renters began leaving the Marina resulting in less rental fees supporting the Marina Fund. The Berkeley Marina Area Specific Plan (BMASP) Project was initiated with the goal of providing "a path for achieving a financially self-sustainable publicly owned marina that preserves and enhances infrastructure to support current and future community needs, while adapting to climate change and promoting environmental stewardship."⁵ This process is well underway with consultants having been hired to assist with conceptual studies, designs and community outreach efforts that will extend into 2022. Concurrent to the BMASP process, the Berkeley Municipal Pier-Ferry Project has been investigating the feasibility of adding a dedicated high-capacity all-electric ferry service between Berkeley and San Francisco as an alternate form of public transit. Such a move would result in upgrades and improvements to the Berkeley Pier while making the Marina accessible for a wide range of users, both of which could potentially increase revenues into the Marina Fund.

During the September 23, 2021 Budget and Finance Committee meeting, members discussed a policy proposal to allocate revenues generated by the transient

¹ See the January 28, 2021 [Berkeley Marina Area Specific Plan Community Workshop #1](#) slide presentation, p. 5

² See Councilmember Taplin's item #37 on the October 26, 2021 council agenda: Letter to Senate Budget Committee Chair Sen. Skinner Regarding Berkeley Pier, Supplemental 2 Materials, attached

³ See the [Fiscal year 2022 Budget for Parks, Recreation and Waterfront Department](#) slide presentation to the Budget and Finance Committee.

⁴ See the [April 12, 2018 Marina Fund Update](#)

⁵ See M BMASP Community Workshop #1, *op. cit.*

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occupancy tax from the Marina hotels to the Marina Fund to help rebuild its fund balance, an idea put forward by the Parks and Waterfront Commission. While the policy committee members voted to send the item to Council with a negative recommendation, they also requested a referral to dedicate policy committee time to discuss alternate revenue streams for the Marina Fund to address the lack of reserves.⁶ There is a widely acknowledged urgent need to establish revenue streams to build back reserves for the Marina Fund. The Marina, a hidden gem in Berkeley with a high volume of users, needs additional help.

BACKGROUND

During the March 23, 2021 City Council meeting, Councilmembers Bartlett and Kesarwani's item number 9: Establish a Parking Benefits District (PBD) in the Adeline Corridor and Fiscal Year 2022 Budget Referral, Supplemental Packet 1 (attached) was unanimously passed on consent as amended and later funded through the FY 2022 budget process. The requested funds are to support hiring a consultant to assist in the formation of a Parking Benefits District. Parking Benefits Districts⁷ spend meter revenue for public services and improvements within the metered areas. They are defined geographical areas typically located in commercial districts in which revenue generated from on-street and off-street parking facilities within the area is kept within the district to finance local improvements.⁸ Reinvesting the meter revenue back into the district helps build support among community members and businesses as the economic benefits of parking can fund specific improvements within the area.

A primary goal of PBDs is to effectively manage an area's parking supply and demand, often using demand-based pricing, making parking convenient for drivers.⁹ In early fall of 2018, transportation consultants Nelson Nygaard submitted a summary of short-term recommendations for parking management at the marina waterfront.¹⁰ The consultants were hired to help manage parking demands created by the volume of users, some of whom parked all-day, all vying for parking spots in close proximity to key water sports locations, ferry services, slip holders' berths, and restaurants. One of the key proposed policy recommendations of this memorandum was to consider charging a \$10 fee for users in need of all-day parking at the South Cove Lot, a centrally-located, high demand facility. With the potential of a ferry system for transport across the bay, and the revisioning of the marina to both achieve financial sustainability and support community usage and needs, the need for enhanced parking management in this area will certainly grow. Establishing a PBD at the marina could be a way to help manage parking supply and demand while creating a dedicated source of revenue for the Marina Fund.

⁶ See the September 23, 2021 [annotate agenda](#) for the Budget and Finance Policy Committee

⁷ See Donald Shoup's Fall 2016 Access Magazine article: [Parking Benefit Districts](#)

⁸ See Newport Beach's [Commercial Parking Benefit District](#) flyer

⁹ Op cit. Newport Beach's [Commercial Parking Benefit District](#) flyer

¹⁰ See the September 7, 2018 Nelson Nygaard [Memorandum: Revised Short-Term Recommendations for Waterfront Parking Management](#)

PBDs also require a community advisory board made up of local stakeholders. In the context of the Marina, that could be representatives from various constituencies, such as sailing and yacht clubs, the Doubletree Hotel, restaurants and other business owners, live-aboards, water sports enthusiasts, merchants and employees, and non-profits. Local stakeholders convene on a regular basis to make recommendations to the City Council for funding local improvements. This advisory structure is another way to help build support for a shift to metered parking as local stakeholders have direct input into the types of improvements to be adopted. Establishing a PBD in the Marina is a long-term strategy that could at once help ease difficult parking situations while providing much needed resources to help fill funding gaps in the Marina Fund that would address ongoing infrastructure needs.¹¹

While a PBD in Berkeley has yet to be established, funds have already been allocated to hire consultants to assist with this effort in both the Gilman and Lorin Commercial Districts. Once the ordinance language has been drafted and a PBD structure established and piloted in both these areas, extending this concept to the Marina would be within reach.

FISCAL IMPLICATIONS

Staff time to investigate the creation of a Berkeley Marina Master Plan on Parking. Depending on the findings and at a later point in time, a follow-up budget referral for pay-station installation and maintenance, parking enforcement staff, and potential consultant services may be necessary.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

Paid parking for use of our public right of ways at the Marina could incentivize some to use alternate transportation, such as public transit, biking or micro-mobility devices to gain access to that area, thereby decreasing greenhouse gas emissions from passenger vehicles—the largest source of greenhouse gas emissions in the City, according to Berkeley’s December 6, 2018 Climate Action Plan update. Were a PBD to be established in the Marina, some of the revenues could help fund a bicycle infrastructure plan to further increase access for non-passenger vehicle transport. This aligns with the City’s Climate Action Plan goals.

CONTACT PERSON

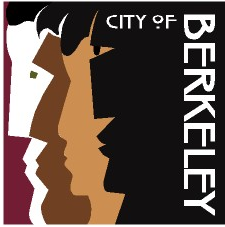
Councilmember Rashi Kesarwani, District 1

(510) 981-7110

Attachments:

¹¹ See JDSupra January 2021 blog post: [Can Parking Benefit Districts Step in as Revenue Sources Dry Up?](#)

1. Item #37, October 26, 2021 council agenda: Letter to Senate Budget Committee Chair Sen. Skinner Regarding Berkeley Pier, Supplemental 2 materials, Councilmember Taplin, author
2. Item #9, Establish a Parking Benefits District (PBD) in the Adeline Corridor and Fiscal Year 2022 Budget Referral, Supplemental Packet 1, March 23, 2021 City Council Agenda



Terry Taplin
Councilmember District 2

SUPPLEMENTAL AGENDA MATERIAL for Supplemental Packet 2

Meeting Date: **October 26, 2021**

Item Number: **37**

Item Description: **Letter to Senate Budget Committee Chair Sen. Skinner
Regarding Berkeley Pier**

Submitted by: **Councilmember Taplin**

- Letter has been updated with more detail on scope of fiscal needs at Pier.
- Assembly Budget Chair Ting added as addressee.



CONSENT CALENDAR
Oct. 12, 2021

To: Honorable Mayor and Members of the City Council

From: Councilmember Taplin, Mayor Arreguín (co-sponsor), Councilmember Robinson (co-sponsor), Councilmember Kesarwani (co-sponsor)

Subject: Letter to Senate Budget Committee Chair Sen. Skinner Regarding Berkeley Pier

RECOMMENDATION

Send a letter to Budget Chairs State Senator Nancy Skinner (D-Berkeley) and Assemblymember Phil Ting (D-San Francisco), ~~Chair of the Senate Budget Committee~~, requesting state budget allocations for urgent infrastructure needs at the Berkeley Municipal Pier.

FINANCIAL IMPLICATIONS

None.

CURRENT SITUATION AND ITS EFFECTS

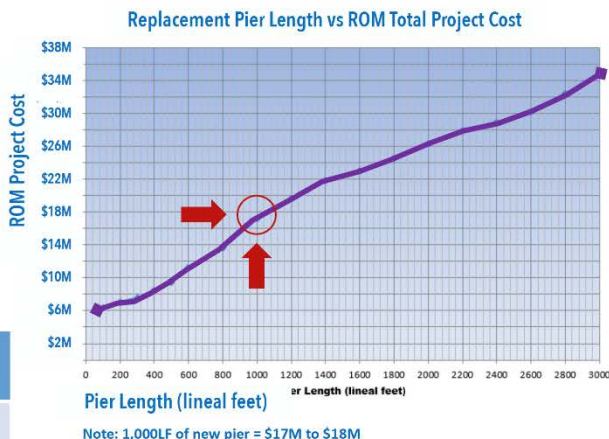
The Marina Fund is projected to exhaust all reserves in FY2022, and its operating deficit will increase to an annual \$800,000. The Berkeley Marina contains over \$200 million in infrastructure assets, with an estimated \$113 million needed in repairs, including a severely dilapidated pier. The Marina Fund has never had a permanent revenue source for capital improvements, and significant deficits have been documented as early as 1999.¹ Funding for infrastructure replacement has been provided in piecemeal fashion through an assortment of grants, loans, the Marina Fund when possible, and more recently, Measure T1 funds. The Berkeley Marina Area Specific Plan (BMASP) project is now underway to plan a revitalization of the area.

The City of Berkeley and Water Emergency Transportation Authority (WETA)'s Pier & Ferry Feasibility Study² estimates a \$32-44 million replacement cost of the pier for a full 70-year lifespan. Currently, proposed concepts in the Berkeley Municipal Pier-Ferry Project include a replacement pier of only one-third to one-half of the full 3000 lineal foot length of the existing pier. The currently recommended \$17.5 million covers the cost of 1,000 feet, but \$35 million would cover the cost of the full 3000 lineal feet.

¹ https://www.cityofberkeley.info/uploadedFiles/Clerk/Level_3_-_General/Marina%20Fund%20Update%20041218.pdf

² https://www.cityofberkeley.info/uploadedFiles/Parks_Rec_Waterfront/Level_3_-_General/Public%202021-08-010-Pier-Ferry_W2.pdf

Pier Structural Assessment – Project History



| Renovation Options | Estimated Project Costs* (3,000 LF Pier) | Repair Interval Longevity | Life Cycle Costs |
|--------------------------|--|-----------------------------|------------------|
| 1. Rehabilitation | \$22–\$48M | 10 yrs 10–15 yrs | \$2M/yr |
| 2. Seismic Strengthening | \$41–\$65M | 10–15 yrs 30–50 yrs | \$1M/yr |
| 3. Replacement | \$32–\$44M | 20+ yrs 70 yrs | \$0.5M/yr |

* Escalated to Year 2023

← Recommended Option



Source: Berkeley/WETA Pier & Ferry Feasibility Study – Community Workshop #2 slides

According to Parks and Waterfront Commission Chairperson Gordon Wozniak, there is a desperate need for \$8 million to dredge the entrance to the main harbor, where boats often run aground at low tide; and the South Sailing Basin, which turns into a mud flat at low tide. With a total funding of \$35 million, the City would have two options: (1) replace the entire 3,000 ft pier, or (2) replace 2,000 ft of the existing pier and dredge both the entrance to the main harbor and the South Sailing Basin.

Funding capital improvements at the Marina Pier is a Strategic Plan Priority Project, advancing our goal to provide state-of-the-art, well-maintained infrastructure, amenities, and facilities.

BACKGROUND

In May 2021, Governor Gavin Newsom announced a historic \$76 billion state budget surplus, and paired it with federal aid in the SB 129 budget revision, dubbed the “California Comeback Plan.”³ The budget bill, brought by Senate Budget Committee Chair Sen. Nancy Skinner, received only one line-item veto.⁴ It contained major capital expenditures, such as \$6 billion to expand hotel acquisition through Project Homekey.

California’s large budget surplus was the result of its progressive tax structure and strong economic conditions in the face of the COVID-19 pandemic. As vaccination increases and local businesses begin reopening, it is not unreasonable to presume that

³ <https://www.gov.ca.gov/2021/07/12/california-roars-back-governor-newsom-signs-100-billion-california-comeback-plan-to-accelerate-states-recovery-and-tackle-persistent-challenges/>

⁴ <https://www.gov.ca.gov/wp-content/uploads/2021/07/SB-129-Line-Item-Veto.pdf>

this pattern may repeat itself next year. Given the Berkeley Marina's central location in the Bay Area metropolitan area, near-future plans for ferry service, and the City's many critical infrastructure needs—including an estimated \$1 billion in unfunded liabilities—the State of California must commit to allocating surplus revenues to meet one-time infrastructure replacement costs while the City develops long-term plans for operating revenues.

Replacing the full 3,000-foot pier will also ensure that the Marina can be a major source of revenue from recreational activities.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

None.

CONTACT PERSON

Councilmember Terry Taplin Council District 2 510-981-7120

Attachments:

1: Letter

October 26, 2021

The Honorable Nancy Skinner
Chair, Senate Budget Committee
California State Capitol, Room 5094
Sacramento, CA 95814

The Honorable Phil Ting
Chair, Assembly Budget Committee
California State Capitol, Room 6026
Sacramento, CA 95814

Re: 2022 Budget Request from the City of Berkeley Related to Infrastructure
Improvements at the Berkeley Marina and Pier

Dear Senate Budget Chair Skinner and Assembly Budget Chair Ting:

On behalf of the City of Berkeley, we want to thank you both, as leaders of the Bay Area
Caucus, for your long-standing support for open space and the environment throughout
the region and for investing in our communities' job base and capital improvement
projects.

As you know, the Berkeley Marina is a beloved recreational area with more than 100
acres of open space and seven miles of trails that delight dog owners, birdwatchers,
sailors, windsurfers, bicyclists, kite flyers, and anyone seeking to enjoy fresh air and
expansive views of the bay. Nearly 100 years ago, the Berkeley Marina served as a
municipal wharf and the pier offered auto ferry service to San Francisco. More recently,
in 1991, a landfill was completely sealed and transformed into what is now known as
Cesar Chavez Park.

The City of Berkeley now seeks to build on the historic role that the marina has played as
both a beloved recreational area as well as a transportation hub by bringing a high-
capacity commercial ferry to the Berkeley Marina. A high-capacity commercial ferry would
offer our region an alternative form of transportation during peak commute times, but is
also a matter of public safety in the event of a major earthquake that damages our
roadways and/or Bay Area Rapid Transit tunnels and railways. Over the next decade, we
plan to continue our ongoing partnership with the San Francisco Bay Area Water
Emergency Transportation Authority to bring a ferry to the Berkeley Marina and restore
our damaged pier to serve as a ferry terminal and a place for recreational fishing and
taking in the bay view.

To realize our long-term vision for the Berkeley waterfront, we have invested over \$26
million in local funds, grants, and a \$5.5 million state loan in recent years. With these
resources, we are making critical capital investments, including repaving of failing streets,

replacing two full docks and a number of finger docks and pilings, making emergency electrical upgrades, and upgrading six restrooms, among other vital infrastructure improvements. We are also using a portion of these funds to plan for the future by investing in a Marina Area Specific Planning Study, a Pier-Ferry Feasibility Study, and a Marina Sea Level Rise Assessment Study.

Despite our significant investment, however, we still face more than \$100 million in unfunded infrastructure needs at the Berkeley Marina and Pier. We are committed to serving as a responsible steward of the land granted to us in trust, and believe there is tremendous potential for the Berkeley Marina to become a regional recreation and transportation hub.

We therefore respectfully request the state's support in the FY 2022-23 state budget for the following highest-priority unfunded capital improvement projects that will help to ensure the vitality and longevity of the Berkeley Marina for years to come.

1. Dredging Main Channel - \$6,000,000

Both the northern and southern entrances to the main Berkeley Marina need to be dredged. They were last partially dredged in 1989 by the Federal Emergency Management Agency after the Loma Prieta earthquake in order to allow for large ferry use. There are several spots where large boats cannot enter or exit during low tide.

2. Dock Piling Replacement - \$1,300,000

The Berkeley Marina has approximately 500 pilings. Approximately 50 percent are the original wood pilings, many of which have failed or are near failure. The City has identified \$1.2 million in City funding to replace the worst pilings, but is in need of additional funding to replace the remaining wood pilings.

3. Finger Dock Replacement - \$850,000

Various small docks next to each slip that are adjacent to each boat need to be replaced in docks K, L, M, N and O. While the main docks are in decent shape, many of the finger docks are failing.

4. J Dock Replacement - \$4,500,000

These docks are the oldest remaining unimproved docks since the initial construction in the 1960s. These docks will be converted from small boat slips to slips for medium and larger boats.

5. J and K Parking Lot - \$1,150,000

This parking lot is adjacent to the marina office, commercial fishing dock (K), a marina restaurant and the bait shop and has totally failed and needs complete replacement. This parking lot is the busiest marina parking lot and serves multiple public uses in the Berkeley waterfront.

6. Cesar Chavez Perimeter Path - \$1,000,000

This failing one-mile pathway needs to be widened to meet Bay Trail standards and there are several locations that do not meet current ADA standards.

7. Marina Office Piling Replacement - \$200,000

The twenty wood pilings which hold up the marina office/public restroom and related platform are near failure and need immediate replacement.

Thank you for your consideration and we look forward to working in partnership on these critical improvements.

The Honorable Nancy Skinner, Chair
Standing Committee on Budget and Fiscal Review
State Capitol, Room 5019
Sacramento, CA 95814

October 12, 2021

Dear Senator Skinner:

As you may know, the City of Berkeley's Municipal Pier urgently needs replacement. However, the City and the Water Emergency Transportation Authority (WETA) lack sufficient funds for a full replacement to accommodate all recreational activities as well as plans for a new ferry. Therefore, we humbly request that the California State Senate consider an appropriation of at least \$17.5 million in the next budget to match the City's recommendation and fund a full replacement of the Marina Pier.

The City of Berkeley and WETA's Pier & Ferry Feasibility Study estimates a \$32-44 million replacement cost of the pier for a full 70-year lifespan. Currently, proposed concepts in the Berkeley Municipal Pier Ferry Project include a replacement pier of only one-third to one-half of the full 3000 lineal foot length of the existing pier. \$17.5 million covers the cost of 1,000 feet, but \$35 million would cover the cost of the full 3,000 lineal feet.

Additionally, there is a desperate need for \$8 million to dredge the entrance to the main harbor, where boats often run aground at low tide, and the South Sailing Basin, which turns into a mud flat at low tide. Even a State contribution of \$8 million would allow a 2,000 ft long replacement pier to be built, which would accommodate substantially more recreation and pedestrian usage. A longer pier that enables more recreational uses also increases potential revenue for the City.

In your capacity as Chair of the State Senate's Standing Committee on Budget and Fiscal Review, we ask you to consider allocating state funds for infrastructure

~~replacement at the Berkeley Pier. This would go a long way toward restoring a vital public resource in our community, while also guaranteeing future revenue potential and stability for the City's Marina Fund. Thank you very much for your tireless service for the people of Senate District 9.~~

Respectfully yours,

City Council, City of Berkeley
2180 Milvia St
Berkeley, CA 94704



October 26, 2021

The Honorable Nancy Skinner
Chair, Senate Budget Committee
California State Capitol, Room 5094
Sacramento, CA 95814

The Honorable Phil Ting
Chair, Assembly Budget Committee
California State Capitol, Room 6026
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**Re: 2022 Budget Request from the City of Berkeley Related to Infrastructure
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Dear Senate Budget Chair Skinner and Assembly Budget Chair Ting:

On behalf of the City of Berkeley, we want to thank you both, as leaders of the Bay Area Caucus, for your long-standing support for open space and the environment throughout the region and for investing in our communities' job base and capital improvement projects.

As you know, the Berkeley Marina is a beloved recreational area with more than 100 acres of open space and seven miles of trails that delight dog owners, birdwatchers, sailors, windsurfers, bicyclists, kite flyers, and anyone seeking to enjoy fresh air and expansive views of the bay. Nearly 100 years ago, the Berkeley Marina served as a municipal wharf and the pier offered auto ferry service to San Francisco. More recently, in 1991, a landfill was completely sealed and transformed into what is now known as Cesar Chavez Park.

The City of Berkeley now seeks to build on the historic role that the marina has played as both a beloved recreational area as well as a transportation hub by bringing a high-capacity commercial ferry to the Berkeley Marina. A high-capacity commercial ferry would offer our region an alternative form of transportation during peak commute times, but is also a matter of public safety in the event of a major earthquake that damages our roadways and/or Bay Area Rapid Transit tunnels and railways. Over the next decade, we plan to continue our ongoing partnership with the San Francisco Bay Area Water Emergency Transportation Authority to bring a ferry to the Berkeley Marina and restore our damaged pier to serve as a ferry terminal and a place for recreational fishing and taking in the bay view.

To realize our long-term vision for the Berkeley waterfront, we have invested over \$26 million in local funds, grants, and a \$5.5 million state loan in recent years. With these resources, we are making critical capital investments, including repaving of failing streets, replacing two full docks and a number of finger docks and pilings, making emergency electrical upgrades, and upgrading six restrooms, among other vital infrastructure improvements. We are also using a portion of these funds to plan for the future by investing in a Marina Area Specific Planning Study, a Pier-Ferry Feasibility Study, and a Marina Sea Level Rise Assessment Study.

Despite our significant investment, however, we still face more than \$100 million in unfunded infrastructure needs at the Berkeley Marina and Pier. We are committed to serving as a responsible steward of the land granted to us in trust, and believe there is tremendous potential for the Berkeley Marina to become a regional recreation and transportation hub.

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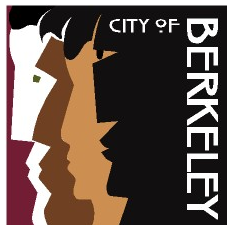
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Thank you for your consideration and we look forward to working in partnership on these critical improvements.

Respectfully,
Berkeley City Council



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.


BEN BARTLETT

CITY COUNCILMEMBER, DISTRICT 3

CONSENT CALENDAR

March 23, 2021

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

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~~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 ~~e~~City 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.

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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

March 23, 2021

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 Parking Benefit Districts in the Adeline Corridor and Gilman District and Refer Funding to the Fiscal Year 2022 Budget Process

RECOMMENDATION

Refer to the City Manager to establish Parking Benefit 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 -- in South and West Berkeley.

Further, refer to the Fiscal Year 2022 budget process \$75,000 for city staff to 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

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

galleries, wineries, breweries, biotech, office space, and an educational farm and community center, among other varied enterprises.

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 benefit 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 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 improvements, 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.

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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. A PBD brings equity, a leg up for commercial districts to develop in a cohesive, community-oriented way. It also gives neighborhoods an opportunity to work communally on issues of mutual interest in each locale, while receiving the resources necessary to improve the quality of life 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 would also incorporate a number of other key elements that the City Manager should consider:

- Creation of a governing Parking Advisory Committee to recommend appropriate uses of revenue generated by the PBD. This body could take one of several potential forms, such as: an appointed or volunteer advisory board, which could include residents, property owners, business owners and other community organizations operating within South and West Berkeley, and City 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;
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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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