



CITY OF

NEWPORT BEACH

City Council Staff Report

June 8, 2021
Agenda Item No. 4

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Ordinance No. 2021-12 and Resolution No. 2021-47: Eliminating the
Balboa Village Area Benefit District and Directing All Unprogrammed
Funds Returned to the General Fund

ABSTRACT:

On April 27, 2021, Councilmember Will O'Neill requested, and the City Council approved, direction to staff to prepare an ordinance eliminating the Balboa Village Area Benefit District (District) from the Area Benefit District Reserve, which is codified in Section 12.44.029 of the Newport Beach Municipal Code (NBMC). Councilmember O'Neill also requested that Resolution No. 2014-101 be repealed, which provides that 100 percent of non-Tidelands funds generated from parking meters and lots within the District should be placed in the Balboa Village Area Benefit District Fund. Pursuant to that direction, approved by City Council on May 25, 2020, staff prepared the attached Ordinance and Resolution to eliminate the District.

RECOMMENDATION:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly;
- b) Conduct second reading and adopt Ordinance No. 2021-12, *An Ordinance of the City Council of the City of Newport Beach, California, Amending Section 12.44.029 (Area Benefit District Reserve) of Chapter 12.44 (Stopping, Standing and Parking Restrictions) of Title 12 (Vehicles and Traffic) of the Newport Beach Municipal Code to Eliminate the Balboa Village Area Benefit District*; and
- c) Adopt Resolution No. 2021-47, *A Resolution of the City Council of the City of Newport Beach, California, Repealing City Council Resolution No. 2014-101 to Eliminate the Balboa Village Area Benefit District Fund and Direct All Unprogrammed Funds to be Returned to the General Fund*.

DISCUSSION:

With implementation of the Balboa Village Master Plan now complete, the Balboa Village Advisory Committee (BVAC) sunset as of December 31, 2020, pursuant to Resolution No. 2018-80. Resolution No. 2018-80 had extended until that date the time period during which the BVAC recommended to the City Council expenditures of District funds. The District was originally created in 2014, along with a special fund in the City Treasury into which subsequently received non-Tidelands parking revenues from all meters and lots within the District have been deposited. These funds currently total approximately \$396,000 per year. The funding has been used for enhancements to the public right-of-way, signage, improved parking management, and other improvements consistent with the Resolution creating the District.

On May 25, 2021, the City Council introduced and passed to second reading Ordinance No. 2021-12 (Attachment A), which amends Section 12.44.029 of the NBMC to eliminate the District. There are currently no other Area Benefit Districts authorized in the City; however, Section 12.44.029 leaves open the possibility of forming one in the future should this or a future City Council choose to do so. Resolution No. 2021-47 (Attachment B) repeals Resolution No. 2014-101, which diverted the non-Tidelands parking revenues within the District from the General Fund to the District. Repealing the Resolution will redirect those funds back to the General Fund on a go-forward basis. The Resolution also directs that unprogrammed District funds on hand be returned to the General Fund.

As discussed on May 25, 2021, two capital projects have additional District funding recommended for appropriation as part of the Fiscal Year 2021-22 capital improvement program. These include:

- Balboa Blvd. Median Improvements \$982,912 (\$850,000 new)
- Balboa Peninsula Summer Trolley \$327,866 (\$150,000 new)

Staff's recommendation is that these projects remain in place and funded from District funds given that they are already included in the capital improvement program. Once each project is completed, any unused funding would be returned to the General Fund.

FISCAL IMPACT:

Staff estimate that approximately \$150,000 remains unprogrammed in the Balboa Village Area Benefit District Fund that will be returned to the General Fund as a result of the requested action. On an ongoing basis beginning in FY 2021-22, approximately \$396,000 of additional ongoing parking revenue per year will now be deposited to the General Fund. These funds have now been included in the FY 2021-22 General Fund revenue budget, in anticipation of this item being approved, given the approval of the first reading of the attached ordinance at the May 25, 2021, City Council meeting. A portion of these funds, totaling \$112,000, has been added to the FY 2021-22 Proposed Budget Revisions to fund enhanced porter service, additional trash cans, and more frequent trash can service in beach areas, including Balboa Village.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENTS:

Attachment A – Ordinance No. 2021-12
Attachment B – Resolution No. 2021-47