



DATE: May 22, 2018

CATEGORY: Public Hearing

DEPT.: Community Development and Public Works

TITLE: **Public Meeting – Downtown Parking Maintenance and Operation Assessment District for Fiscal Year 2018-19**

RECOMMENDATION

1. Hold a public meeting on the Downtown Parking Maintenance and Operation Assessment District for Fiscal Year 2018-19.
2. Adopt a Resolution Preliminarily Approving the Annual Engineer’s Report for the Downtown Parking Maintenance and Operation Assessment District for Fiscal Year 2018-19, to be read in title only, further reading waived (Attachment 1 to the Council report).

BACKGROUND

On June 29, 1979, the City Council approved the formation of the Downtown Parking Maintenance and Operation Assessment District (District) in order to adequately fund the continued maintenance and operation of Parking District No. 2. Downtown property owners created the District under the premise that both commercial and residential properties in the District benefit equally from the provision and maintenance of public parking facilities regardless of property use, the location of the property owner’s parcel relative to the public parking facilities, and the amount of parking provided on-site. The District supports the availability of convenient, safe, and attractive public parking and pedestrian alleyways connecting the public parking facilities to Castro Street.

Each year, property owners are assessed a proportionate share of the maintenance and operation costs based on an assessment formula. The formula for the District is comprised of two components: one based on land use and the second based on parcel area. Seventy-five percent (75%) of the maintenance and operation assessment is calculated and allocated on the basis of land use. Twenty-five percent (25%) of the assessment is calculated according to the size of each parcel. Staff is recommending

that the total amount of the assessment for Fiscal Year 2018-19 be \$158,606, the same as the previous 22 years.

Also, as part of the District's creation, the City developed a Downtown Parking Permit Program. Businesses and their employees, property owners, and residents within the District are allowed to purchase permits. The permits allow them to park up to eight (8) hours per day Monday through Friday at specifically designated public parking facilities.

ANALYSIS

Based on State and City requirements, the City renews the District on an annual basis in order to establish and levy assessments for the District. The assessment cannot be modified without the approval of the property owners. The purpose of this agenda item is to hold a public meeting and preliminarily approve the Engineer's Report (Attachment 2) pursuant to the Mountain View City Code. The public hearing and final action are scheduled for June 26, 2018. The public can speak at the public meeting and/or the public hearing.

The District preliminary revenues for Fiscal Year 2018-19 are estimated at \$1.85 million and are used for maintenance and operating expenses. In general, the operating expenses are funded from assessment (\$158,606), but other revenues also support the District, such as permit fees, investment earnings, and property taxes. It is estimated the District will receive \$998,000 in property tax revenue, \$122,000 in investment earnings, \$550,000 in permit revenue, and \$23,000 in other revenues.

The District continues to fund the implementation of the Downtown Parking Work Plan. Previous projects funded include a study of the parking permit program, the evaluation and identification of parking technology solutions, a parking consultant who developed guidelines for a valet parking program, and shared parking agreements. The District is currently funding the implementation of parking technology (real-time wayfinding signs), biannual parking occupancy data collection at the public parking facilities, a parking level color-coding plan at the two public parking structures, and a valet parking pilot program at Parking Lot 11 (Villa Street at Franklin Street) to help manage the demand of public parking in downtown Mountain View. Staff is also developing the following parking programs for Fiscal Year 2018-19: shared parking opportunities, a paid parking study, and updating the downtown loading zones. The District continues to fund a Police Assistant position to focus on downtown parking enforcement efforts.

Staff also estimates the annual funding needed for future maintenance projects, such as painting of the parking structures, pavement repairs, and restriping (in the structures), will be approximately \$37,500 per year and is set aside each year in a long-term maintenance fund. Revenues not used for maintenance and operating expenses are set aside for future improvements and maintenance. The District receives no General Fund revenues.

The District must conform to the provisions of Proposition 218, the right to vote on tax initiatives, which was approved by California voters in November 1996. The Proposition 218 requirement for a ballot only applies if the assessment formula is changed and/or the amount of the assessment to the District is increased. Consequently, no ballot is required if the City Council directs staff to proceed with the recommended assessment using the same formula and total assessment amount as in the previous 22 years.

Staff proposes no changes to the assessment formula and, thus, no changes from the previous annual total assessment. The assessment formula is based on the land use parking demand and parcel area ratio.

FISCAL IMPACT

The actions above have no direct fiscal impact on the City. If the Engineer's Report and the proposed assessment are approved after the public hearing on June 26, 2018, approximately 220 property owners will contribute \$158,606 toward the cost of maintaining the downtown parking facilities used by residents, businesses, and customers in the District. The median assessment is approximately \$1,000, and many property owners pass the assessment costs on to their tenants. The proposed assessment formula has been used since the 1996-97 fiscal year.

ALTERNATIVES

If the resolution preliminarily approving the annual Engineer's Report for the Downtown Parking Maintenance and Operation Assessment District for Fiscal Year 2018-19 is not adopted, staff will not hold a public hearing on June 26, 2018 to approve the report and funds from the District would not be allocated toward the cost of maintaining the downtown parking facilities. The City would need to seek new funding to maintain the facilities.

PUBLIC NOTICING

Notice of the public meeting scheduled for May 22, 2018 and public hearing scheduled for June 26, 2018 was mailed directly to property owners located within the District on May 5, 2018 (Attachment 3). In addition to the Agenda posting, the Central Business Association has been noticed. A notice of the public hearing for June 26, 2018 will be published in a newspaper of general circulation.

Prepared by:

Tiffany Chew
Business Development Specialist

Alex Andrade
Economic Development Manager

Approved by:

Randal Tsuda
Community Development Director

Michael A. Fuller
Public Works Director

Daniel H. Rich
City Manager

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- Attachments:
1. Resolution Preliminarily Approving the Annual Engineer's Report
 2. Draft Annual Engineer's Report
 3. Public Meeting/Hearing Notice