



DATE: June 4, 2019

CATEGORY: Public Hearing

DEPT.: Community Development/
Public Works

TITLE: **Downtown Parking Maintenance and
Operation Assessment District for
Fiscal Year 2019-20**

RECOMMENDATION

1. Adopt a motion waiving the reading of the Statement of the Engineer of Record.
2. Adopt a Resolution Adopting the Engineer's Report for the Downtown Parking Maintenance and Operation Assessment District for Fiscal Year 2019-20 and Authorizing its Delivery to Santa Clara County, 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 (the "District") in order to adequately fund the continued maintenance and operation of Parking District No. 2. The 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 the property use, the location of the property relative to the public parking facilities, and the amount of parking provided on-site by the property owners. 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 assessment formula for the District is comprised of two components: land use/parking requirements and property square footage. Seventy-five percent (75%) of the maintenance and operation assessment is calculated and allocated on the basis of land use and parking requirements. The remaining 25 percent of the assessment is calculated according to the size of the property. Any change requires a vote of property owners in accordance with Proposition 218.

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. Staff is recommending that the assessment formula and total amount of the assessment for Fiscal Year 2019-20 (\$158,606) be the same as the previous 23 years. At the May 14, 2019 City Council meeting, Council preliminarily approved the Parking District (Attachment 2). The purpose of this agenda item is to hold the required second public hearing and approve the Engineer's Report (Attachment 3). The Engineer's Report summarizes the District's revenues and expenditures for Fiscal Year 2019-20.

The District's preliminary revenues for Fiscal Year 2019-20 are estimated at \$2.04 million and are used for maintenance and operating expenses. In general, the operating expenses are funded from the assessment (\$158,606), but other revenues also support the District, such as parking permit fees, investment earnings, and property taxes. It is estimated the District will receive \$976,000 in property tax revenues, \$183,000 in investment earnings, \$697,000 in permit revenues, and \$24,000 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, and 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, a shared parking opportunity with Kaiser Permanente, a valet parking pilot program at Parking Lot 11 (Villa Street at Franklin Street), and the Downtown Paid Parking Study to help manage the demand of public parking in downtown Mountain View. The District also continues to fund a Police Assistant position to focus on downtown parking enforcement efforts.

FISCAL IMPACT

If the assessment for the District is approved after the public hearing, approximately 212 property owners will contribute \$158,606 toward the cost of maintaining the downtown parking lots and structures used by residents, businesses, and customers in the District. The assessments will be forwarded to the County of Santa Clara for placement on the annual property tax rolls. 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. Staff proposes no changes to the assessment formula and, thus, no changes from the previous total assessment.

ALTERNATIVES

If the resolution adopting the Engineer's Report for the Downtown Parking Maintenance and Operation Assessment District for Fiscal Year 2019-20 and authorizing its delivery to Santa Clara County is not adopted, the report would not be approved and the assessments will not be delivered to Santa Clara County. The funds from the District would not be allocated toward the cost of maintaining the downtown parking facilities.

PUBLIC NOTICING

In addition to the standard agenda posting, notices have been sent to all affected property owners, the Central Business Association, and published in the *San Jose Post Record* newspaper.

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TC/1/CAM/822-06-04-19CR/190183

- Attachments:
1. Resolution
 2. May 14, 2019 City Council Report
 3. Engineer's Report
 4. Statement of the Engineer of Record