



DATE: May 14, 2019

CATEGORY: Public Hearing

DEPT.: Community Development and Public Works

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

RECOMMENDATION

1. Hold a public hearing on the annual renewal of the Downtown Parking Maintenance and Operation Assessment District for Fiscal Year 2019-20.
2. Adopt a Resolution Preliminarily Approving the Annual Engineer’s Report for the Downtown Parking Maintenance and Operation Assessment District for Fiscal Year 2019-20, 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 (Attachment 2– District Map). Downtown property owners created the District under the premise that both commercial and residential properties in the District benefit equally from: (1) the provision and maintenance of public parking facilities regardless of property use; (2) the location of the property owner’s parcel relative to the public parking facilities; and (3) 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. 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 hours per day, Monday through Friday, at specifically designated public parking facilities.

The District must conform to the provisions of Proposition 218, (also called the “Right to Vote on Tax Act”), 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.

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: land use/parking requirements for all the properties within the District and property square footage. Seventy-five percent (75%) of the maintenance and operation assessment is calculated and allocated on the basis of land use/parking requirements. Twenty-five percent (25%) of the assessment is calculated according to the size of each property. The total assessment, including the formula, cannot be modified without a vote of the property owners.

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. The purpose of this agenda item is to hold the required public hearing and preliminarily approve the Engineer's Report (Attachment 3) pursuant to the Mountain View City Code. The Engineer's Report outlines the estimated cost of maintenance and operations along with the assessments for each property owner. A second public hearing and final action are scheduled for June 4, 2019.

The District 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 property taxes, permit fees, and investment earnings. It is estimated the District will receive \$976,000 in property tax revenue, \$183,000 in investment earnings, \$697,000 in permit revenue, and \$24,000 in other revenues. The District receives no General Fund revenues. The District also has a parking in-lieu fee when new construction or change of use increases the amount of parking required. The fee is used for the creation of new public parking.

The District supports the operations of the public parking facilities which includes implementation of the downtown parking projects. Previous projects funded include a study of the parking permit program, the evaluation and identification of parking technology solutions, implementation of 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.

During a March 19, 2019, Study Session on the Downtown Paid Parking Study, Council also asked staff to explore programs that increase parking efficiency in the downtown commercial core, including wayfinding and technology, a transportation management association program for downtown businesses, review of the current downtown and residential parking permit programs, paid parking, and other options. As a result, staff is developing a Downtown Parking Demand Management (PDM) Strategy. The Fiscal Year 2019-20 Parking District budget includes a request for consultation services and programs to support this effort in the amount of \$300,000.

Staff also estimates that 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.

FISCAL IMPACT

The actions above have no direct fiscal impact to the City's General Fund. If the Engineer's Report and the proposed assessment are approved after the public hearing on June 4, 2019, 212 property owners will contribute \$158,606 toward the cost of maintaining and operating the downtown parking facilities used by residents, businesses, and customers in the District. The assessments are collected through the County of Santa Clara on the annual property tax rolls. The median assessment per site 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 annual total assessment.

ALTERNATIVES

If the resolution preliminarily approving the annual Engineer's Report for the Downtown Parking Maintenance and Operation Assessment District for Fiscal Year

2019-20 is not adopted, staff will not hold a public hearing on June 4, 2019 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 this public hearing (May 14, 2019) and public hearing scheduled for June 4, 2019 was mailed directly to property owners located within the District on April 19, 2019 (Attachment 4). In addition to the Agenda posting, the Central Business Association has been noticed. A notice of the public hearing for June 4, 2019 will be published in a newspaper of general circulation.

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- Attachments: 1. Resolution Preliminarily Approving the Annual Engineer's Report
2. Downtown Parking Map
3. Draft Annual Engineer's Report
4. Public Hearing Notice