



**DATE:** June 24, 2014

**CATEGORY:** Public Hearing

**DEPT.:** Community Development/  
Public Works

**TITLE:** **Downtown Parking Maintenance and  
Operation Assessment District for  
Fiscal Year 2014-15**

### **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 2014-15 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 (District) in order to adequately fund the continued maintenance and operation of Parking District No. 2. From 1979 to 1987, the assessment was \$50,000. The assessment was raised most years until 1996 to increase the proportion of operating costs funded by the maintenance assessment. The District's other funding sources include permit revenues, interest earnings, and property taxes to provide the remaining operating funds. The most recent increase was in 1996-97, when the assessment was raised to approximately \$160,000. The assessment has not been increased since, as it requires a vote of property owners in accordance with Proposition 218.

### **ANALYSIS**

Staff recommends no increase in the maintenance assessment for Fiscal Year 2014-15 because the present assessment revenue, combined with the District's other operating revenues, is adequate to cover current expenditures. The Engineer's Report summarizes the District's revenues and expenditures for Fiscal Year 2014-15. Since the District's formation, it has operated under the premise that downtown property owners in the District benefit equally from the provision and maintenance of public parking

facilities regardless of the location of the parcel owner's property relative to the public parking facilities and the amount of parking provided on-site. The assessment formula for the District is comprised of two components – one based on land use and the second based on parcel area. Approximately 75 percent of the maintenance and operation assessment is calculated and allocated on the basis of land use. The remaining 25 percent of the assessment is calculated according to the size of the parcel. The total amount of the assessment (\$158,606) is distributed among approximately 214 parcels based on the assessment formula which is unchanged from last year.

Due to the dissolution of the Revitalization Authority, some of the other revenue sources will be impacted. The District will continue to receive property taxes, parking permits, and interest earnings, but will no longer receive rent revenues from the CVS Pharmacy ground lease. However, the total other revenues will increase and is estimated that the District will receive \$534,740 in property tax revenue and \$316,100 in permit revenue.

The Assessment District is funding implementation of the Downtown Parking Work Plan. On November 19, 2013, the City Council appropriated \$16,500 to fund a Police Assistant position to focus on downtown parking enforcement efforts. For Fiscal Year 2013-14, the budget included \$50,000 from the District for consultant services to evaluate and identify parking technology solutions as a way to manage public parking and \$5,000 for downtown parking marketing efforts. The Fiscal Year 2014-15 Adopted Budget includes funding for the implementation of parking technology and a feasibility study for building a third parking structure.

A public meeting on the downtown parking assessment was held on May 27, 2014. At that meeting, City Council adopted a resolution preliminarily approving the annual Engineer's Report for the Downtown Parking Maintenance and Operation Assessment District for Fiscal Year 2014-15. If approved after the public hearing, the assessments will be forwarded to the County for placement on the property tax rolls. Property owners are encouraged to call the Community Development Department at (650) 903-6306 prior to the public hearing if they have any questions regarding individual assessments.

### **FISCAL IMPACT**

If the Assessment District is approved after the public hearing, approximately 214 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.

## **ALTERNATIVES**

If the resolution adopting the Engineer's Report for the Downtown Parking Maintenance and Operation Assessment District for Fiscal Year 2014-15 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 newspaper.

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Attachments: 1. Resolution  
2. Engineer's Report  
3. Statement of the Engineer of Record