



# COUNCIL REPORT

**DATE:** June 14, 2022

**CATEGORY:** Consent

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

**TITLE:** **Renewal of Downtown Parking Maintenance and Operation Assessment District for Fiscal Year 2022-23**

## **RECOMMENDATION**

Adopt a Resolution of the City Council of the City of Mountain View Approving the Annual Engineer’s Report for the Downtown Parking Maintenance and Operation Assessment District No. 2 for Fiscal Year 2022-23 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 No. 2 (Assessment District) in order to adequately fund the continued maintenance and operation of the City’s downtown public parking facilities (Attachment 2—Assessment District Map). Downtown property owners created the Assessment District under the premise that both commercial and residential properties in the Assessment 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 Assessment District supports the availability of convenient, safe, and attractive public parking and pedestrian alleyways connecting the public parking facilities to Castro Street. As part of the Assessment District’s creation, the City developed a Downtown Parking Permit Program. Businesses and their employees, property owners, and residents within the Assessment District may purchase permits. The permits allow them to park up to eight hours per day, Monday through Friday, at specifically designed public parking facilities.

The Assessment District must conform to Mountain View City Code (hereinafter “City Code”), Section 17.128.30 and the applicable provisions of Proposition 218 (also called the “Right to Vote on Tax Act”), which was approved by California voters in November 1996, to regulate various local revenue tools, including assessment districts.

Currently, property owners are annually assessed for a proportionate share of the maintenance and operation costs based on a two-part assessment formula: (1) land use and parking requirements for all the properties within the Assessment District; and (2) 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; and 25% of the assessment is calculated according to the size of each property. The total assessment, including the formula, cannot be modified without compliance with the City Code and any applicable provisions of State law. Finally, the annual assessment amount is determined by the Assessment District Engineer's Report, which must be approved annually by Council pursuant to the City Code. The assessments are then collected through the County of Santa Clara on the annual property tax rolls. The annual 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 not changed since Fiscal Year 1996-97.

### **ANALYSIS**

The purpose of this agenda item is to renew the District Assessment and approve the Annual Engineer's Report (Exhibit A of Attachment 1) 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. Staff recommends that the total amount of the assessment for Fiscal Year 2022-23 (\$158,606) be the same as in the previous 26 years.

The Assessment District's preliminary revenues for Fiscal Year 2022-23 are estimated at \$1.57 million and will be used for maintenance and operating expenses of the City's downtown public parking facilities. In general, the operating expenses are funded from assessments (\$158,606), but other revenues also support the Assessment District, such as permit fees, investment earnings, and property taxes. It is estimated the Assessment District will receive \$1.09 million in property tax revenue, \$145,700 in investment earnings, \$156,000 in permit revenue, \$158,606 in assessments, and \$20,000 in other revenues for a total of \$1.57 million. The Assessment District receives no General Fund revenues. Separate from operations and maintenance, the Assessment District also has a parking in-lieu fee when development projects proposing new construction or change of use increase the amount of parking required. A developer can either provide the required parking on-site or pay the in-lieu fee. If fees are paid, they are required to be reserved for the creation of new public parking supply.

### **Uses of Assessment District Funds**

The Assessment District supports the operations and maintenance of the public parking facilities as well as the implementation of downtown parking projects. Previous projects funded include a study of the City's Downtown Parking Permit Program, the evaluation and identification of parking technology solutions, a parking consultant who developed guidelines for a valet parking

program, and paid parking. The Assessment District is currently funding ongoing maintenance, including janitorial services and parking technology at the two public parking structures, biannual parking occupancy data collection at the public parking facilities, completion and implementation of the Downtown Parking Strategy, and developing temporary parking when public parking lots are under development. The Assessment District also continues to fund a Police Assistant position to focus on downtown parking enforcement efforts. Staff also estimates that the annual funding of \$37,500 is needed for future major maintenance projects, such as painting of the parking structures, pavement repairs, and restriping. This amount is set aside each year as part of the Assessment District's long-term maintenance fund.

### **FISCAL IMPACT**

The recommended actions will not have a fiscal impact to the City's General Fund. If the Engineer's Report and the renewal of the assessment are approved, 212 property owners will pay an assessment for the cost of maintaining and operating the downtown parking facilities used by residents, businesses, and customers in the Assessment District. All of the Assessment District revenues are held in a separate Parking District Fund, and all expenses, including parking operations, maintenance, and other activities, are paid out of this fund.

### **ALTERNATIVES**

1. Do not approve the resolution recommended by staff. If the resolution is not adopted, the City would need to seek new funding to maintain the downtown public parking facilities.
2. Provide other direction. Any changes to the Assessment District boundaries or assessment formula would require further action(s) pursuant to the City Code and/or State law.

**PUBLIC NOTICING**—Agenda posting.

Prepared by:

Tiffany Chew  
Business Development Specialist

Approved by:

Aarti Shrivastava  
Assistant City Manager/  
Community Development Director

Audrey Seymour Ramberg  
Assistant City Manager/  
Chief Operating Officer

TC/4/CAM  
822-06-14-22CR  
201786

- Attachments:
1. Resolution Approving the Annual Engineer's Report and Exhibit A—  
Engineer's Report
  2. Downtown Parking Map