



**DATE:** May 17, 2016

**CATEGORY:** Public Hearing

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

**TITLE:** **Public Meeting – Downtown Parking Maintenance and Operation Assessment District for Fiscal Year 2016-17**

### **RECOMMENDATION**

1. Hold the public meeting on the Downtown Parking Maintenance and Operation Assessment District for Fiscal Year 2016-17.
2. Adopt a Resolution Preliminarily Approving the Annual Engineer's Report for the Downtown Parking Maintenance and Operation Assessment District for Fiscal Year 2016-17, 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. 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 use of the property, the location of the parcel owner's property 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 2016-17 be \$158,606, the same as the previous 20 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 Mountain View City Code. The public hearing and final action are scheduled for June 14, 2016. The public can speak at the public meeting and/or the public hearing.

The District revenues for Fiscal Year 2016-17 are proposed at \$1.18 million and are used for maintenance and operating expenses. In general, the balance of operating expenses is funded from the District's other revenues, such as permit fees and property taxes. Due to the dissolution of the Revitalization Authority, one revenue source was impacted. The District will no longer receive the entire rent revenue from the CVS Pharmacy ground lease (\$40,000), but will continue to receive property taxes, parking permits, and interest earnings. However, the total other revenues will increase and it is estimated the District will receive \$648,500 in property tax revenue and \$316,100 in permit revenue.

The Assessment District continues to fund the implementation of the Downtown Parking Work Plan. Previous projects funded include a study of the parking permit program and evaluation and identification of parking technology solutions. The District is currently funding the implementation of parking technology (real-time wayfinding signs), a feasibility study on how to create new public parking spaces (currently on hold due to the Hope Street Parking Lots RFQ/RFP process), and a parking consultant who is developing guidelines for additional parking programs (i.e., valet parking, shared parking agreements, potential expansion of the Parking District). The District also continues to fund a Police Assistant position to focus on downtown parking enforcement efforts.

Staff 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 these 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 20 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 14, 2016, approximately 222 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 2016-17 is not adopted, staff will not hold a public hearing on June 14, 2016 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**

In addition to the agenda posting, a notice of the public meeting was published in the newspaper of general circulation and sent to the Central Business Association. Direct notices to property owners in the District were mailed informing them of the public hearing and the public meeting (Attachment 3).

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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