



COUNCIL REPORT

DATE: May 13, 2025

CATEGORY: Consent

DEPT.: Community Development
and Public Works

TITLE: **Renewal of Downtown Parking
Maintenance and Operation Assessment
District for Fiscal Year 2025-26**

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 and Approving the Levying of Assessments for Fiscal Year 2025-26, 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 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 designated public parking facilities.

The Assessment District must conform to Mountain View City Code Section 17.128.30 and the applicable local revenue tools, including assessment districts.

Currently, property owners are annually assessed for a proportionate share of the maintenance and operation costs of the downtown public parking facilities 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 \$100, while the mean assessment is \$652 with many property owners passing 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) which includes the estimated cost of maintenance and operations along with the City of Mountain View Parking Ordinance in the Mountain View City Code and the assessments for each property owner. Staff recommends that the total amount of the assessment for Fiscal Year 2025-26 (\$158,606) remain the same as in the previous 29 years.

Parking Assessment fees (\$158,606 per year) are used to support the ongoing operations and maintenance of downtown parking facilities, including elevator maintenance, pressure washing, and utilities. Other revenues also support the Assessment District, such as permit fees, investment earnings, and property taxes. The Assessment District's preliminary revenues for Fiscal Year 2025-26 are estimated at \$2.26 million, including the following estimates: \$1.34 million in property tax revenue, \$465,000 in investment earnings, \$275,000 in permit revenue, \$158,606 in assessments, and \$20,000 in other revenues. The Assessment District receives no General Fund revenues.

In the past, the Assessment District has also received parking in-lieu fee revenue when development projects proposing new construction or changes of use that increased the amount of parking required paid the fee rather than providing all required parking on-site. The City is required to use these fees for the creation of new public parking supply. Receipt of parking in-lieu fee revenue is not anticipated in future years due to recent changes in State Law, as further discussed below. If fees are paid, they are required to be reserved for the creation of new public parking supply.

State Laws Impacting Parking District Funds

With the passage of AB 2097, municipalities are no longer able to collect parking in-lieu fees for projects that are within one-half mile of certain public transit facilities, which includes areas within one-half mile of the Mountain View Transit Center. This will impact the ability of the City to collect revenue to build and make improvements to parking facilities within the District. The Downtown Parking Strategy recommended options for the City to consider, including requiring stronger transportation demand management (TDM) measures for projects to reduce the need for automobile parking, updating the fee structure for the Downtown Parking Permit Program, which allows office and other uses to utilize select public parking lots for greater than the three-hour limit, and implementing paid parking. Staff is currently working on implementation of the Downtown Parking Strategy and will bring back options for the Council's consideration at a future date.

Uses of Assessment District Funds

The Assessment District supports the operations and maintenance of the public parking facilities as well as the implementation of parking projects in the downtown. Previous projects funded include a study of the City's Downtown Parking Permit Program, the evaluation and identification of parking technology solutions, development of guidelines for a valet parking program, and evaluation of paid parking. The Assessment District is currently funding ongoing parking structure maintenance, including janitorial services, implementation of the Downtown Parking Strategy, and development of 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 estimates that 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-term maintenance fund.

FISCAL IMPACT

The recommended actions will not have a fiscal impact to the City's General Fund. If the Assessment District Engineer's Report and the renewal of the assessment are approved, 209 property owners will pay a combined assessment of \$158,606 for the cost of maintaining and operating the downtown parking facilities used by residents, businesses, and customers in the Assessment District. All 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.

LEVINE ACT

California Government Code Section 84308 (also known as the Levine Act) prohibits city officials from participating in any proceeding involving a “license, permit, or other entitlement for use” if the official has received a campaign contribution exceeding \$500 from a party, participant, or agent of a party or participant within the last 12 months. The Levine Act is intended to prevent financial influence on decisions that affect specific, identifiable persons or participants. For more information see the Fair Political Practices Commission website: www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html.

Please see below for information about whether the recommended action for this agenda item is subject to or exempt from the Levine Act.

EXEMPT FROM THE LEVINE ACT

General policy and legislative actions

PUBLIC NOTICING

All property owners within the assessment district were notified via mail of the renewal.

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Attachments:

1. Resolution Approving the Annual Engineer’s Report
2. Downtown Parking Map