



COUNCIL REPORT

DATE: May 12, 2026

CATEGORY: Consent

DEPT.: Community Development and Public Works

TITLE: **Renewal of Downtown Parking Maintenance and Operation Assessment District for Fiscal Year 2026-27**

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 2026-27, 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) 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 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 permit holders to park for 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 any applicable provisions of state and county law.

Currently, property owners in the Assessment District are assessed annually for a proportionate share of downtown public parking facility maintenance and operation costs based on a two-part

assessment formula: (1) land use and parking requirements for all 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. Modification of the total assessment, including the assessment formula, must comply with the City Code and any applicable provisions of state law. 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. Assessments are then collected through the Santa Clara County Assessor's Office on the annual property tax rolls. The annual median assessment per site is approximately \$100, while the average assessment is \$652. The assessment formula has not changed since Fiscal Year 1996-97.

ANALYSIS

Recommended Fiscal Year 2026-27 Assessment

The purpose of this agenda item is to renew the Assessment District and approve the Annual Engineer's Report (Exhibit A of Attachment 1) pursuant to the estimated cost of maintenance and operations of downtown public parking facilities and the assessments for each property owner. Staff recommends that the total assessment for Fiscal Year 2026-27 remain at \$158,606, which is the same amount that has been in place for the past 30 years.

Assessment District Revenues

The Downtown Parking Assessment District's preliminary revenues for Fiscal Year 2026-27 are estimated at \$2.27 million. These funds, which support the maintenance and operating expenses of the City's downtown public parking facilities, are derived from several distinct sources, in addition to the annual assessment, as shown in Table 1 below.

Table 1: Downtown Parking District Revenues

Funding Source	Amount
Assessment District	\$156,606
Property Tax Revenue	\$1,300,000
Investment Earnings	\$635,000
Permit Program Revenue	\$156,000
Other Revenue	\$20,000
TOTAL	\$2,267,606

The Assessment District receives no General Fund revenues.

Separate from these funding sources for operations and maintenance, the Assessment District may also receive parking in-lieu fees to be reserved for the creation of new parking. Such fees are paid by developers when they propose new construction or a change of use that increases the amount of parking required and the developer chooses to pay the in-lieu fee rather than provide the required parking on-site.

State Laws Impacting Parking District Funds

With the passage of Assembly Bill 2097, municipalities are no longer able to require off-street parking for most land uses. Accordingly, this has reduced the opportunity to collect parking in-lieu fees for projects that are within one-half mile of transit. This will impact the availability of funding to build and make improvements to parking facilities within the Assessment District. To address the anticipated reduction in in lieu fee revenue, the Downtown Parking Strategy identified the following potential options:

- Requiring stronger transportation demand management measures for projects,
- Revamping the fee structure for the Downtown Parking Permit Program that currently allows office and other uses to utilize select public parking lots for more than the three-hour limit, and
- Implementing paid parking.

Staff is currently working on the implementation of Downtown Parking Strategy recommendations and will bring an update to Council in the Fall.

Uses of Assessment District Funds

The Assessment District supports the operations and maintenance of downtown 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, and a parking consultant who developed guidelines for a valet parking program. The Assessment District is currently funding ongoing maintenance, including janitorial services, and implementation of the Downtown Parking Strategy. The Assessment District also continues to fund a Police Assistant position to focus on downtown parking enforcement efforts.

FISCAL IMPACT

If the Engineer's Report and the renewal of the assessment are approved, a total of \$158,606 will be levied on 224 property owners within the Assessment District to fund the maintenance and operation of the downtown parking facilities that serve residents, businesses, and visitors. All Assessment District revenues are deposited into the Parking District Fund, a dedicated fund used exclusively for parking-related expenses, including parking operations, maintenance, and associated program costs.

ALTERNATIVES

1. Do not approve the resolution recommended by staff. If the resolution is not adopted, the City would need to identify alternative 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.

SUBJECT TO THE LEVINE ACT

Contract or franchise agreement

PUBLIC NOTICING

All property owners within the Assessment District were notified via mail of the renewal.

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Attachments: 1. Resolution
 2. Assessment District Map