



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Approve the Fiscal Year (FY) 2014/15 Preliminary Engineer's Report for the Downtown Parking District Assessment, Adopt a Resolution of Intention to Levy and Collect Assessment for the Downtown Parking Maintenance District for FY 2014/15, and Set the Date of July 15, 2014 for Public Hearing

BACKGROUND

The operation and maintenance of certain downtown parking areas are supported by an assessment district (the Downtown Parking Maintenance District, hereinafter called the "District"). On July 28, 2009, in response to property owners ballot approval, the City Council adopted Resolution #398-09 (RTC 09-196) ordering formation of the District. Council also confirmed the final Engineer's Report to levy an assessment for FY 2009/10 and for each fiscal year thereafter by adjusting the annual assessment rate based upon the previous year's change in the Consumer Price Index (All Urban Consumers for the San Francisco-Oakland-San Jose area, as determined by the United States Department of Labor, the "CPI").

On July 9, 2013, the City Council approved the current (FY 2013/14) assessment rates based upon the CPI change of +2.3809% from April 2012 to April 2013, as shown in Table 1 below:

Table 1 - FY 2013/14 Assessment Rates per Benefit Zone			
Benefit Zone No.	FY 2013/14 Assessment Rate Per Deficit Parking Space	Total Deficit Parking Space	FY 2013/14 Net Assessment Revenue 1% of the County Administration Cost)
1	\$0.00	56.80	\$0.00
2	\$150.68	172.38	\$25,714.46
3	\$65.43	2,269.79	\$147,026.98
4	\$19.71	336.39	\$5,762.41
Total		2,835.36	\$178,503.85

The benefit zones are shown on the District diagram in the Engineer's Report. Property owners in Zone 1 (primarily Town Center) are not assessed due to the fact that Town Center owners are required to maintain the new parking facilities as well as the existing parking structure adjacent to Target. Additionally, property owners in Zone 1 south of Iowa Avenue are able to use the available parking facilities, but the Town Center owners pay for the maintenance and operation of those parking facilities.

EXISTING POLICY

Council Resolution 6643, dated September 1, 1964 authorized the City to levy an annual assessment on all lands and improvements within the Parking District to pay debt service, operations, maintenance, and improvement costs.

Municipal Code Section 19.46.010: Areas and facilities required - location: the owner or occupant of land or buildings used for any purpose in any zoning district, except uses within the boundaries of a parking district created by the action of the city council, shall provide off-street parking and loading areas and facilities which conform to the regulations set forth herein.

ENVIRONMENTAL REVIEW

Adoption of the subject Resolution of Intention is not a project within the meaning of the California Environmental Quality Act as the Act does not apply to governmental funding mechanisms or other government fiscal activities.

DISCUSSION

Francisco & Associates, Inc. (the Assessment Engineer) has prepared the FY 2014/15 preliminary Engineer's Report (Attachment 1) for the FY 2014/15 assessment. In brief, the number of deficit parking spaces for each parcel is determined based upon the difference between the number of parking spaces needed per the City's Parking Demand Guidelines and the number of existing parking spaces located on the parcels included within the parking district. The assessment for each parcel is based upon an assessment rate multiplied by each parcel's corresponding deficit parking spaces. Each benefit zone has a different assessment rate based upon City's operating and maintenance costs for those public parking lots within each benefit zone.

A public hearing process is required by state law to provide the City authority to levy and collect the assessment for the District for FY 2014/15. Adoption of the Resolution of Intention (Attachment 2) will approve the preliminary Engineer's Report, authorize publication of the Notice of Public Hearing, and set a public hearing date for July 15, 2014.

The CPI change between April 2013 and April 2014 is +2.7874%. Therefore, the proposed FY 2014/15 assessment rates are shown in Table 2 below:

Table 2 - FY 2014/15 Assessment Rates per Benefit Zone					
Benefit Zone No.	Assessment Rate Per Deficit Parking Space	Total Deficit Parking Space	Total Assessment	Less County Administration (1%)	Net Assessment Revenue
1	\$0.00	56.80	\$0.00	\$0.00	\$0.00
2	\$154.88	172.38	\$26,698.20	(\$266.98)	\$26,431.22
3	\$67.25	2,254.87	\$151,639.76	(\$1,516.40)	\$150,123.36
4	\$20.26	351.89	\$7,129.26	(\$71.29)	\$7,057.97
Total		2,835.94	\$185,467.22	(\$1,854.67)	\$183,612.55

There is a decrease in the number of deficit parking spaces within benefit zone 3 due to use changes at two properties, located at 123 West Washington Avenue and 165 West Washington Avenue.

There is an increase in the number of deficit parking spaces within benefit zone 4 due to recent developments, known as Sunnyvale Solstice and Carmel Lofts, in the old Town and Country area. Based upon the projected time for building occupancy, Sunnyvale Solstice will be assessed for the entire FY 2014/15 while Carmel Lofts will be assessed for the second half of FY 2014/15.

FISCAL IMPACT

The proposed budget for routine maintenance and administration of the parking lots for FY 2014/15 is \$120,459. There is no proposed major maintenance project budget for FY 2014/15. Approval of the recommended FY 2014/15 assessment will generate gross revenue of approximately \$185,467. The City receives the net assessment revenue of \$183,613 after County administrative fees (1% of the assessment) are subtracted. The surplus between net assessment revenues and planned expenditures is \$63,154, which will be deposited into the Parking District Fund reserve. Based on this, it is estimated that the balance of the Parking District reserve fund will be \$543,878 at the end of FY 2014/15. The reserve will be used for future periodic capital improvements as well as to supplement annual operating and maintenance costs.

The expected gross revenue from the preliminary Engineer's Report for FY 2014/15 (\$185,467) is slightly higher than the amount projected in the FY 2014/15 Recommended Budget (\$182,128). At the time of budget development, the CPI inflator was still an estimate and the number of deficit parking spaces within zones 3 and 4 were not confirmed.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

During the week of April 21, 2014, informational letters were mailed to each property owner explaining the proposed assessment methodology and assessment rate per deficit parking space. Specific information pertaining to the assessment methodology, the demand for on-site private parking, the number of on-site private parking spaces, and any respective deficit was provided for each parcel within the District.

RECOMMENDATION

Approve the Fiscal Year (FY) 2014/15 Preliminary Engineer's Report for the Downtown Parking District Assessment, adopt a Resolution of Intention to Levy and Collect Assessment for the Downtown Parking Maintenance District for FY 2014/15, and set the date of July 15, 2014 for public hearing

Prepared by: Judy Chu, Senior Engineer
Reviewed by: Kent Steffens, Director, Public Works
Reviewed by: Grace Leung, Director, Finance
Approved by: Robert A. Walker, Assistant City Manager

ATTACHMENTS

1. Fiscal Year 2014-15 Preliminary Engineer's Report
2. Resolution of Intention