



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Approve the Fiscal Year (FY) 2015/16 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 2015/16, and Set the Date of July 14, 2015 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 15, 2014, the City Council approved the current (FY 2014/15) assessment rates, as shown in Table 1 below:

Table 1 - FY 2014/15 Assessment Rates per Benefit Zone			
Benefit Zone No.	FY 2014/15 Assessment Rate Per Deficit Parking Space	Total Deficit Parking Space	FY 2014/15 Net Assessment Revenue (1% of the County Administration Cost)
1	\$0.00	56.80	\$0.00
2	\$154.88	172.38	\$26,431.22
3	\$67.25	2,254.87	\$150,123.36
4	\$20.26	351.89	\$7,057.97
Total		2,835.94	\$183,612.55

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.

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 (CEQA Guideline 15378(b)(4)).

DISCUSSION

Francisco & Associates, Inc. (the Assessment Engineer) has prepared the FY 2015/16 preliminary Engineer's Report (Attachment 1) for the FY 2015/16 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 the 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 2015/16. 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 14, 2015.

The February CPI is published each fiscal year in mid to late March. The April CPI is published each year in mid to late May. In order for the preliminary Engineer's Report to coincide with the City budget approval timeline, the February CPI will be used in future years. The CPI change between April 2014 and February 2015 is +1.3579%. Therefore, the proposed FY 2015/16 assessment rates are shown in Table 2 below:

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	\$156.98	172.38	\$27,060.20	(\$270.60)	\$26,789.60
3	\$68.16	2,207.13	\$150,437.86	(\$1,504.38)	\$148,933.48
4	\$20.53	366.40	\$7,522.16	(\$75.22)	\$7,446.94
Total		2,802.71	\$185,020.22	(\$1,850.20)	\$183,170.02

The overall deficit parking spaces is reduced by 33.23 from the prior year within benefit zone 3 due to 1) the remodeling at 170 South Sunnyvale Avenue with reduction of hotel rooms, and 2) the

remodeling at 165 West Washington Avenue with various changes of building use as elaborated in the preliminary Engineer's Report.

There is an increase in the number of deficit parking spaces within benefit zone 4 due to a recent development, known as Carmel Lofts, in the old Town and Country area. Carmel Lofts will be assessed for the entire year of FY 2015/16.

FISCAL IMPACT

The proposed budget for maintenance and administration of the parking lots for FY 2015/16 is \$328,576, which includes major work elements such as the installation of concrete gutters and pavement rehabilitation. Approval of the recommended FY 2015/16 assessment will generate revenue of approximately \$185,020. The City receives assessment revenue of \$183,170 after County administrative fees (1% of the assessment) are subtracted. The difference between net assessment revenues and planned expenditures is offset by \$3,921 of interest income and a planned drawdown of \$141,485 from the Parking District Fund reserve. Based on this, it is estimated that the balance of the Parking District reserve fund will be \$394,195 at the end of FY 2015/16. 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 2015/16 (\$185,020) is slightly lower than the amount projected in the FY 2015/16 Recommended Budget (\$187,865). At the time of budget development, the number of deficit parking spaces within zones 3 and 4 were not confirmed. The lower assessment has a nominal effect on reserves, drawing down approximately \$3,000 more than planned. The Parking District Fund will be able to absorb this increased drawdown over the twenty-year financial plan.

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 March 23, 2015, 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) 2015/16 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 2015/16, and set the date of July 14, 2015 for public hearing.

Prepared by: Judy Chu, Senior Engineer
Reviewed by: Manuel Pineda, Director of Public Works
Reviewed by: Grace K. Leung, Director of Finance
Reviewed by: Robert A. Walker, Assistant City Manager
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Fiscal Year 2015-16 Preliminary Engineer's Report
2. Resolution of Intention