



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Adopt a Resolution to Approve the Final Engineer's Report, Confirm the Assessment, and Levy Annual Assessment for The Downtown Parking Maintenance District Assessment for Fiscal Year 2015/16

BACKGROUND

The operation and maintenance expense of certain downtown parking areas are supported by the Downtown Parking Maintenance District assessment. On July 28, 2009, in response to property owners ballot approval, the City Council adopted Resolution #398-09 (RTC09-196) to levy assessments for Fiscal Year (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.

On June 23, 2015, the City Council adopted a resolution declaring its intention to levy and collect an assessment for the Downtown Parking Maintenance District for FY 2015/16, approving the preliminary Engineer's Report, and setting July 14, 2015 at 7:00 pm as the date and time for public hearing on the levy of the proposed assessment.

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 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) prepared the final Engineer's report (Attachment 1) for the FY 2015/16 assessment. The assessment rates are proposed to increase +1.3579% based on the Consumer Price Index change between April 2014 and February 2015 (all Urban Consumers for the San Francisco-Oakland-San Jose area) as shown in the Table below.

FY 2015/16 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	\$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

Pursuant to California Streets and Highways Code Section 22631, Council adoption of the Resolution (Attachment 2) to approve or modify the final Engineer's report constitutes the levy of the assessment for 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 annual operating costs and a capital project for 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 the net 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 final 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 Downtown Parking Maintenance District.

Public contact was also made on June 23, 2015, when City Council adopted the Resolution of Intention to Levy and Collect Assessment for the Downtown Parking Maintenance District for FY 2015/16, and set the date and time for public hearing for July 14, 2015 (RTC 15-0364). The preliminary Engineer's report is on file in the office of the City Clerk for public review. On July 3, 2015, the Notice of Public Hearing was published in the *Sunnyvale Sun*.

ALTERNATIVES

1. Adopt the resolution to approve the final Engineer's report, to confirm the assessment, and levy annual assessment for the Downtown Parking Maintenance District assessment for FY 2015/16.
2. Modify the final Engineer's report, adopt the resolution to approve the modified final Engineer's report and to confirm the assessment and levy annual assessment for the Downtown Parking Maintenance District assessment for FY 2015/16.
3. Do not take action to give the City the necessary authority to levy and collect the assessment for FY 2015/16.

STAFF RECOMMENDATION

Alternative 1: Adopt the resolution to approve the final Engineer's report, to confirm the assessment, and levy annual assessment for the Downtown Parking Maintenance District assessment for FY 2015/16.

This alternative will allow the City to continue levying the assessment for FY 2015/16.

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

ATTACHMENTS

1. Fiscal Year 2015/16 Final Engineer's Report
2. Resolution to Levy Annual Assessment