



City of Sunnyvale

Agenda Item-No Attachments (PDF)

File #: 17-0428, Version: 1

REPORT TO COUNCIL

SUBJECT

Approve the Fiscal Year (FY) 2017/18 Preliminary Engineer's Report for the Downtown Parking District Assessment, Adopt a Resolution of Intention to Levy and Collect an Assessment for the Downtown Parking Maintenance District for FY 2017/18, and Set the Date of July 11, 2017 for the Public Hearing on the Proposed Assessment

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 No. 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 26, 2016, the City Council approved the current (FY 2016/17) assessment rates, as shown in Table 1 below:

Table 1 - FY 2016/17 Assessment Rates per Benefit Zone			
Benefit Zone No.	FY 2016/17 Assessment Rate Per Deficit Parking Space	Total Deficit Parking Space	FY 2016/17 Net Assessment Revenue (less 1% of the County Administration Cost)
1	\$0.00	56.80	\$0.00
2	\$161.72	172.38	\$27,598.51
3	\$70.22	2,145.27	\$149,134.31
4	\$21.15	379.36	\$7,943.19
Total		2,753.81	\$184,676.01

The benefit zones are shown on the District diagram in the Engineer's Report (Attachment 1, Appendix A). Property owners in Zone 1 (commonly known as the Town Center Project) are not assessed due to the fact that the developer of the Town Center Project (STC Venture, LLC) is 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 Project Developer pays for the maintenance and operation of those parking facilities. Benefit zones 2, 3, and 4 have a different assessment rate based upon the City's operating and maintenance costs for those public parking lots within each benefit zone.

EXISTING POLICY

Council Resolution No. 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 Section 15378(b)(4)).

DISCUSSION

Francisco & Associates, Inc. (the Assessment Engineer) has prepared the FY 2017/18 preliminary Engineer's Report (Attachment 1) for the FY 2017/18 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.

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 2017/18. 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 11, 2017.

The February CPI is published each fiscal year in mid to late March. The CPI change between February 2016 and February 2017 is +3.437%. Therefore, the proposed FY 2017/18 assessment rates are shown in Table 2 below:

Benefit Zone No.	Assessment Rate Per Deficit Parking Space	Total Deficit Parking Space	Total Assessment Revenue	Less County Administration (1%)	Net Assessment Revenue
1	\$0.00	56.80	\$0.00	\$0.00	\$0.00
2	\$167.28	172.38	\$28,835.72	(\$288.36)	\$28,547.36
3	\$72.63	2,142.46	\$155,606.56	(\$1,556.07)	\$154,050.49
4	\$21.88	379.36	\$8,300.40	(\$83.00)	\$8,217.40
Total		2,751.00	\$192,742.68	(\$1,927.43)	\$190,815.25

The overall deficit parking spaces within the parking district has decreased by 2.81, as described in Section III, Part IV of the Engineer's Report. Within benefit Zone 3, deficit parking spaces decreased by 2.81 spaces from the prior fiscal year. The decrease was due to the remodeling of the 15,806 square foot shopping center located at 122 S. Sunnyvale Avenue and minor adjustments to the 7,500 square foot allocation to restaurant with bar and nightclub use located at 146 S. Murphy Avenue.

Future parking studies may affect the Downtown Parking Maintenance District. A Council study issue is pending to evaluate the amount of parking required to support existing and future downtown development. This study issue has been deferred pending further progress on the Town Center Project. While the Town Center Project is part of the Downtown Parking Maintenance District, the Project is required to provide all its required parking spaces within the Project, so no effect on the District is anticipated. However, the study includes exploring options such as a parking management program to increase parking efficiency and/or the feasibility of expanding the supply of public or shared parking. The outcome of the study may suggest possible modifications to the maintenance district and the assessment methodology, but any modifications would require approval of the property owners in the District.

FISCAL IMPACT

The proposed budget for maintenance and administration of the parking lots for FY 2017/18 is \$242,474 which includes operating costs and final slurry seal and restriping of the parking lots. Approval of the recommended FY 2017/18 assessment will generate revenue of approximately \$192,743. The City receives assessment revenue of \$190,815 after County administrative fees (1% of the assessment) are subtracted. The difference of (-\$51,659) between net assessment revenues and planned expenditures will be taken from the Parking District Fund reserve and will continue to be used to fund future periodic capital improvements as well as to supplement annual operating and maintenance costs. The projected reserve fund balance for June 30, 2018 is \$322,347. It should be noted that the FY 2017/18 Proposed Budget includes revenue projects that do not assume the increased assessment. If approved, future budgets will be amended to reflect approved assessment rates.

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 17, 2017, 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) 2017/18 preliminary Engineer's Report for the Downtown Parking District Assessment, adopt a Resolution of Intention to Levy and Collect an Assessment for the Downtown Parking Maintenance District for FY 2017/18, and set the date of July 11, 2017 for the public hearing on the levy of the proposed Assessment.

Prepared by: Ryan Sandoval, City Property Administrator
Reviewed by: Manuel Pineda, Director of Public Works
Reviewed by: Timothy J. Kirby, Director of Finance
Reviewed by: Kent Steffens, Assistant City Manager
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Fiscal Year 2017-18 Preliminary Engineer's Report
2. Resolution of Intention