



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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### REPORT TO COUNCIL

#### SUBJECT

Approve the FY 2019/20 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 2019/20, and Set the Date of June 25, 2019 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 No. 398-09 (RTC No. 09-196) ordering the 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 June 26, 2018, the City Council approved the current (FY 2018/19) assessment rates, as shown in Table 1 below:

Table 1 - FY 2018/19 Assessment Rates per Benefit Zone					
Benefit Zone No.	Assessment Rate Per Deficit Parking Space	Total Deficit Parking Spaces	Total Assessment Revenue	Less County Administration (1%)	Net Assessment Revenue
1	\$0.00	56.80	\$0.00	\$0.00	\$0.00
2	\$173.24	172.38	\$29,863.10	(\$298.63)	\$29,564.47
3	\$75.22	2,137.46	\$160,779.58	(\$1,607.80)	\$159,171.78
4	\$22.66	371.28	\$8,413.18	(\$84.13)	\$8,329.05
<b>Total</b>		<b>2,737.92</b>	<b>\$199,055.86</b>	<b>(\$1,990.56)</b>	<b>\$197,065.30</b>

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 CityLine Sunnyvale, formerly Town Center) are not assessed because the developer of CityLine 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, even though the

CityLine Sunnyvale 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, which do not involve any commitment to any specific project which may result in a potentially significant impact on the environment (CEQA Guideline Section 15378(b)(4)).

### **DISCUSSION**

Francisco & Associates, Inc. (the Assessment Engineer) has prepared the FY 2019/20 preliminary Engineer's Report (Attachment 1) for the FY 2019/20 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.

The County Tax Collector requires all individual assessments to be levied in even pennies so that the property tax bill can be split evenly in two payments. This results in having the Total Deficit Parking Space multiplied by the FY2019/20 Assessment per Deficit Parking Space off by pennies from the FY2019/20 Assessment Revenue. Individual assessment roll calculations are in Appendix B of the Engineer's Report.

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 2019/20. 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 June 25, 2019.

The February CPI is published each fiscal year in mid to late March. The CPI change between February 2018 and February 2019 is +3.526%. Based on this change, the proposed FY 2019/20 assessment rates are shown in Table 2 below:

Table 2 - FY 2019/20 Proposed Assessment Rates per Benefit Zone					
Benefit Zone No.	Assessment Rate Per Deficit Parking Space	Total Deficit Parking Spaces	Total Assessment Revenue	Less County Administration (1%)	Net Assessment Revenue
1	\$0.00	56.80	\$0.00	\$0.00	\$0.00
2	\$179.35	172.38	\$30,916.34	(\$309.16)	\$30,607.18

3	\$77.87	2,131.14	\$165,951.62	(\$1,659.52)	\$164,292.10
4	\$23.46	371.28	\$8,710.20	(\$87.10)	\$8,623.10
<b>Total</b>		<b>2,731.60</b>	<b>\$205,578.16</b>	<b>(\$2,055.78)</b>	<b>\$203,522.38</b>

The overall deficit parking spaces within the parking district has decreased by 6.32 spaces from the prior fiscal year, as described in Section II, Part IV of the Engineer's Report. This decrease is within benefit Zone 3, because of the change in use for a portion of the property located at 165 S. Murphy Avenue; the Brandon (wine bar) changed to Street Closet (clothing store).

A Council study issue on Downtown Development Policies for Parking is underway and will include a parking needs and capacity study for the Downtown Parking Maintenance District. The outcome of the study may result in necessary changes to parking requirements for properties within the District. While CityLine Sunnyvale is part of the Downtown Parking Maintenance District, it is obligated to provide all its parking space requirements within the Project, so no effect on the District is anticipated. However, the study will explore options 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 parking standards/options within the maintenance district. Property owners will be invited to be a part of the process throughout the study.

### **FISCAL IMPACT**

The proposed budget for maintenance and administration of the parking lots for FY 2019/20 is \$148,422 which includes operating costs only, with no capital projects scheduled. Approval of the recommended FY 2019/20 assessment will generate revenue of approximately \$205,578. The City receives assessment revenue of \$203,522 after County administrative fees (1% of the assessment) are subtracted. The difference of \$55,100 between net assessment revenues and planned expenditures will be added to 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.

### **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.

On March 12, 2019, 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) 2019/20 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 2019/20, and set the date of June 25, 2019 for the public hearing on the levy of the proposed Assessment

Prepared by: Sherine Nafie, City Property Administrator  
Reviewed by: Chip Taylor, Director, Public Works  
Reviewed by: Timothy J. Kirby, Director of Finance  
Reviewed by: Teri Silva, Assistant City Manager  
Approved by: Kent Steffens, City Manager

**ATTACHMENTS**

1. Fiscal Year 2019/20 Preliminary Engineer's Report
2. Resolution of Intention