



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

File #: 20-0327, Version: 1

### REPORT TO COUNCIL

#### SUBJECT

Approve the FY 2020/21 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 2020/21, and Set the Date of July 14, 2020 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 owner's approval by ballot, 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 25, 2019, the City Council approved the current (FY 2019/20) assessment rates, as shown in Table 1 below:

Table 1 - FY 2019/20 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 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 known as Town Center) are not assessed because the CityLine Sunnyvale developer 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 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 (CEQA) 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 2020/21 preliminary Engineer's Report (Attachment 1) for the FY 2020/21 assessment.

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.

Due to the COVID-19 Pandemic and the Shelter in Place order issued, business deemed non-essential have closed and economic activity has significantly slowed down. In recognition of these current events, FY2020/21 assessment rate is set to cover only planned operating and administrative expenditures with no additional funds added to the Parking District Fund reserve; it was not calculated by adjusting the previous year's assessment by the change in CPI as was done in previous years. This is to help all business within the District during these unprecedented times.

The total amount proposed to be assessed for FY2020/21 is \$182,316 with \$0 put into reserves. The maximum total amount that could be assessed by adjusting the previous year's assessment would yield \$211,567 with approximately \$28,950 added to reserves. Therefore, for this one year, the downtown businesses that pay into the district will save \$28,950. The reserves are used to pay for longer term capital projects. It is not anticipated that the reduced assessment will have a significant impact on currently planned long term projects.

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 FY2020/21 Assessment per Deficit Parking Space off by pennies from the FY2020/21 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 2020/21. 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.

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	\$159.05	172.38	\$27,417.02	(\$274.17)	\$27,142.85
3	\$69.06	2,131.14	\$147,176.34	(\$1,471.76)	\$145,704.58
4	\$20.80	371.28	\$7,722.60	(\$77.23)	\$7,645.37
<b>Total</b>		<b>2,731.60</b>	<b>\$182,315.96</b>	<b>(\$1,823.16)</b>	<b>\$180,492.80</b>

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 2020/21 is \$182,315, with no capital projects scheduled. Approval of the recommended FY 2020/21 assessment will generate a total revenue of approximately \$182,315. The City receives a net assessment revenue of \$180,492 after County administrative fees are subtracted. No additional funds will be added to the Parking District Fund reserve, which currently has \$692,992.

### **PUBLIC CONTACT**

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

On April 21, 2020, 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) 2020/21 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 2020/21, and set the date of July 14, 2020 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: Tim Kirby, Director of Finance

Reviewed by: Jaqui Guzmán, Deputy City Manager

Approved by: Kent Steffens, City Manager

### **ATTACHMENTS**

1. Fiscal Year 2020/21 Preliminary Engineer's Report
2. Resolution of Intention