



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 and Collect an Annual Assessment for The Downtown Parking Maintenance District for Fiscal Year 2021/22

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 formation of the District. Council also confirmed the final Engineer's Report to levy an assessment for Fiscal Year (FY) 2009/10 and for each fiscal year thereafter by adjusting the annual assessment rate by the increase in the Consumer Price Index (All Urban Consumers for the San Francisco-Oakland-Hayward area, as determined by the United States Department of Labor, the "CPI") from the previous year.

On May 25, 2021, Council adopted a resolution declaring its intention to levy and collect an assessment for the Downtown Parking Maintenance District for FY 2021/22, approving the preliminary Engineer's Report, and setting June 29, 2021 as the date and time for public hearing to levy of the proposed assessment (RTC No. 21-0419).

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 this 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 Section 15378(b)(4)).

DISCUSSION

Francisco & Associates, Inc. (the Assessment Engineer) prepared the final Engineer's report (Attachment 1) for the FY 2021/22 assessment. In previous years, assessment rates were calculated by adjusting the previous year's assessment by the change in CPI. In recognition of the COVID-19 Pandemic and the Shelter in Place orders issued with its impact on businesses, the assessment rates for FY 2021/22 are proposed to stay the same as in FY 2020/21, with no CPI increase. This is to help all businesses within the District during these unprecedented times. Please see the Table below.

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 the Total Deficit Parking Space multiplied by the FY 2021/22 Assessment per Deficit Parking Space off by pennies from the FY 2021/22 Assessment Revenue. Individual assessment roll calculations are in Appendix B of the Engineer's Report.

FY 2021/22 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	\$159.05	172.38	\$27,417.02	(\$274.17)	\$27,142.85
3	\$69.06	2,133.15	\$147,315.14	(\$1,473.15)	\$145,841.99
4	\$20.80	371.28	\$7,722.60	(\$77.23)	\$7,645.37
Total		2,733.61	\$182,454.76	(\$1,824.55)	\$180,630.21

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 2021/22.

FISCAL IMPACT

The planned operating budget for the District for FY 2021/22 is \$193,446. Approval of the recommended FY 2021/22 assessment will generate revenue of \$182,454.76. The City receives the net assessment revenue of \$180,630.21 after County administrative fees (1% of the assessment) are subtracted. The City may also receive a revenue of \$43,200 from car charging stations within the District. There will be a surplus of \$30,384.21 put in Parking District Fund reserve. The reserves are used to pay for longer-term capital projects and supplement any operating deficiencies. It is not anticipated that the reduced assessment will have a significant impact on currently planned long term projects. The projected reserve fund balance for June 30, 2022 is anticipated to be \$807,985. Due to timing of the Final Engineer's Report and the development of the FY 2021/22 Recommended Budget, the revenue and expenditure figures may differ from the figures represented in the FY 2021/22 Recommended Budget.

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. In addition, the agenda and report are available at the Office of the City Clerk and on the City's website.

ALTERNATIVES

1. Adopt the Resolution to approve the final Engineer's Report, to confirm the assessment, and levy and collect an annual assessment for the Downtown Parking Maintenance District for FY 2021/22.

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 and collect an annual assessment for the Downtown Parking Maintenance District assessment for FY 2021/22.
3. Do not take any action to give the City the necessary authority to levy and collect the assessment for FY 2021/22.

STAFF RECOMMENDATION

Alternative 1: Adopt the Resolution to approve the final Engineer's Report, to confirm the assessment, and levy and collect an annual assessment for the Downtown Parking Maintenance District for FY 2021/22.

This alternative will allow the City to continue levying the assessment for FY 2021/22.

Prepared by: Sherine Nafie, City Property Administrator

Reviewed by: Chip Taylor, Director, Public Works

Reviewed by: Tim Kirby, Director, Finance

Reviewed by: Teri Silva, Assistant City Manager

Approved by: Kent Steffens, City Manager

ATTACHMENTS

1. Fiscal Year 2021/22 Final Engineer's Report
2. Resolution to Approve the Final Engineer's Report, to Confirm the Assessment, and Levy and Collect Annual Assessment for the Downtown Parking Maintenance District for FY 2021/22