



## Agenda Report

22-713

Agenda Date: 6/21/2022

### REPORT TO COUNCIL

#### SUBJECT

Informational Report Regarding Council's Request to Explore Alternatives to Fund Operations and Maintenance Costs for Parking Maintenance District No. 122 - Franklin Square

#### COUNCIL PILLAR

Deliver and Enhance High Quality Efficient Services and Infrastructure

#### BACKGROUND

Parking Maintenance District No. 122 (PMD 122) was formed in 1965 for the parking lots, arcades, fountains, sidewalks, landscaping, irrigation, lights, and utilities within Franklin Square, which is bounded by Benton Street, Homestead Road (formerly known as Liberty Street), Monroe Street, and Jackson Street. There have been several changes in how maintenance and operations costs have been collected over the years and in 2002 the City Council passed a motion at a public hearing in which the City assumed all future costs for operation and maintenance and in May 2003 adopted Resolution 7026. Under the collection method contained in Resolution 7026, the property owners contribute annually to pay for capital repairs of the parking lot and associated walkways. The fixed annual contribution from the property owners totals \$14,200, less the earned interest on the accumulating balance. As of December 31, 2021, the interest-bearing account contained \$145,305.

The City, through the General Fund, is responsible for covering the costs for annual maintenance and operations of PMD 122 and that has continued to be the arrangement through the present day. In FY 2022/23, the City proposed a budget of \$137,521 to cover the day-to-day maintenance of PMD 122.

On several occasions Council has discussed the allocation of PMD 122 costs because the City pays for all of the day-to-day maintenance and there was sentiment by some members of the Council that the property owners should pay some of these costs, similar to how PMD 122 was funded prior to 2003. On May 4, 2021, Council directed staff to engage PMD 122 property owners and discuss opportunities for reallocating operations and maintenance costs more equitably between the City and property owners since costs have increased since 2003. Staff completed that request and on January 25, 2022, a summary report was provided to Council, (RTC 22-1672, Attachment 1), explaining that the property owners were not in favor of changing the cost allocations of PMD 122.

#### DISCUSSION

At the Council Meeting on April 19, 2022, there was additional discussion on the topic of increasing PMD 122 costs, so the property owners contribute towards the annual operation and maintenance costs of Franklin Square. Council requested that staff explore alternative funding mechanisms that may assist the City in recovering money for annual maintenance and operations and return to Council with that information. As discussed in the background section staff already spent time working with the property owners over the course of several months. There are no additional options

to increase contributions since the property owners already expressed to the City that they are not interested in an increase, and increases cannot be assessed unless the property owners agree by ballot. One other option that came up during the April 19, 2022 Council meeting involved the concept of implementing paid parking at Franklin Square.

Currently, the City of Santa Clara does not operate paid parking areas and any consideration of changing to paid parking at Franklin Square would require a study that includes items such as:

- Evaluating on street parking and parking lots that are part of Franklin Square
- Obtaining parking counts
- Conducting outreach events with business owners, tenants, adjacent neighborhoods and public
- Evaluating different paid parking strategies and cost ranges
- Analyzing options for designing, installing, and maintaining paid parking equipment
- Reviewing enforcement strategies and potential costs
- Preparing a financial analysis of improvement costs, maintenance costs, paid parking revenues and potential profits
- Assessing potential impacts to on street parking in adjacent neighborhoods

Staff estimates a study like the effort described above could cost up to \$150,000 and could take approximately 18 months to complete. The funding source for this effort would be the General Fund so if there is a Council desire to move forward with this type of study then it should be discussed and prioritized during the City's Priority Setting Session.

### **ENVIRONMENTAL REVIEW**

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

### **FISCAL IMPACT**

There is no fiscal impact associated with this report.

### **COORDINATION**

This report has been coordinated with the City Attorney's Office.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email [clerk@santaclaraca.gov](mailto:clerk@santaclaraca.gov) <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

### **RECOMMENDATION**

Note and file this informational report.

Reviewed by: Craig Mobeck, Director of Public Works  
Approved by: Rajeev Batra, City Manager

**ATTACHMENTS**

1. Agenda Report 22-1672 from January 25, 2022