



Agenda Report

18-113

Agenda Date: 4/24/2018

REPORT TO COUNCIL

SUBJECT

Adoption of a Resolution of Intention for Maintenance District 183 - Santa Clara Convention Center Complex

BACKGROUND

In April 1980, the City Council adopted an ordinance providing for an alternative method for annually fixing and levying a special benefit assessment for the maintenance districts in the City of Santa Clara. That ordinance, SCCC Section 16.10.490, was required because Proposition 13 prohibited the City from continuing its prior practice of assessing maintenance costs based upon assessed value. The ordinance requires that a report be prepared each year for each maintenance district, setting forth the budget for the ensuing year, the formula for the annual assessment levy, and a description of each property, including the amount of assessment to be levied against each lot.

The original lease agreements between the Redevelopment Agency of the City of Santa Clara, Santa Clara Convention Hotel Limited Partnership (Hotel), and SCCC Associates II (Techmart) provided for the formation of the District. These agreements also served to apportion the funds necessary to maintain and operate the common improvements serving the Convention Center, Hotel, and Techmart. Hudson Techmart Commerce Center L.L.C currently owns Techmart, Hyatt Regency Santa Clara is the current Hotel owner, and the Convention Center building is owned by the City of Santa Clara. Each of these three parties is responsible for a share of the FY 2018/19 maintenance assessment, set by the annual budget.

DISCUSSION

For Maintenance District 183, the annual assessment maintains common improvements including, but not limited to, surface and structural (parking garage) parking areas, landscaping, roadway, pedestrian bridges, space frames, and lighting. In addition to the costs of maintaining and operating the common improvements, the proposed total cost includes expenses relating to the City's cost to administer the District, insurance and utilities.

City staff prepared a draft Director's Report for FY 2018/19 (Attachment 1), which shows the formula for the annual assessment levy, parcel descriptions, and amount of assessment to be levied against each parcel. The report has been delivered to each property owner in the District, and a copy has been filed with the City Clerk. Staff also met with property owners and all interested tenants to discuss the report on April 5, 2018. A second meeting will also be held to continue discussions about the Director's Report on May 3, 2018.

In conjunction with preparing the report, the Council is required to hold a public hearing, prior to which a public hearing notice (Attachment 2) will be posted and published in the Santa Clara Weekly. As recommended in this report, a resolution of Intention for Maintenance District No. 183 Fiscal Year

2018/19 (Attachment 3) has been prepared and sets June 12th, 2018 as the public hearing date. If the Council approves the budget on June 12, the confirmed assessments will be sent out by the City for collection.

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(b)(4) in that it is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

FISCAL IMPACT

The total maintenance cost for Maintenance District No. 183 is estimated at \$1,563,119. Approval of the assessment would result in the City collecting \$856,528 in revenue from the Hotel and Techmart to fund the maintenance of common improvements at the Convention Center Complex. The balance of the cost, \$706,591, would be funded by the City's General Fund as the owner of the Convention Center building.

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>> or at the public information desk at any City of Santa Clara public library.

On May 23, 2018, the Notice of Public Hearing for the June 12 Council meeting will be published in the Santa Clara Weekly. In addition, the notice will be posted at the City Clerk's Office, as well as at the public information desk at each City of Santa Clara public library, and mailed to all property owners within the District.

RECOMMENDATION

Adopt a Resolution of Intention to order that the alternative method for the levy of benefit assessment be made applicable to the Santa Clara Convention Center Complex Maintenance District No. 183; set a hearing date of June 12, 2018 to approve the Director's Report FY 2018/19; and authorize the publication, mailing, and posting of the notice of public hearing as stated in the Resolution of Intention.

Reviewed by: Craig Mobeck, Director, Public Works

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

- 1) Director's Report
- 2) Notice of Public Hearing
- 3) Resolution of Intention
- 4) Proposed Assessment