



Agenda Report

20-78

Agenda Date: 6/9/2020

REPORT TO COUNCIL

SUBJECT

Public Hearing: Adoption of a Resolution Overruling Protests and Ordering that the Alternative Method for the Levy of Benefit Assessment be Made Applicable to the City of Santa Clara Parking Maintenance District No. 122 - Franklin Square [Council Pillar: Deliver and Enhance High Quality Efficient Services and Infrastructure]

BACKGROUND

Parking Maintenance District No. 122 was formed in 1965 to maintain 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. From 1965 - 2002, the cost of maintenance and operation of Parking Maintenance District No. 122 was divided between the City and property owners. In 2002, the City Council passed a motion at a public hearing in which the City assumed all future costs for operation and maintenance. Under this alternative collection method, the property owners contribute annually to pay for capital repairs of the parking lot and associated walkways. The annual contribution totals \$14,200 less the earned interest on the accumulating balance. The City, through the General Fund, is responsible for covering the annual maintenance.

On April 7, 2020, Council adopted Resolution 20-8829 related to the proposed maintenance assessments for Parking Maintenance District No. 122. In addition, the Resolution established June 2, 2020 as the date that City Council would hear testimony and act upon the attached Resolution (Attachment 1) and Director's Report (Attachment 2). Due to the subsequent cancellation of the June 2 Council Meeting, an amended Resolution of Intention (Attachment 3) was adopted on May 26, 2020, rescheduling the Public Hearing to June 9, 2020.

DISCUSSION

The proposed FY 2020/21 assessment to property owners will be \$10,374. Accrued interest earned in FY 2018/19 in the amount of \$3,826 will be used to reach the \$14,200 annual requirement. These funds are placed into an account that generates interest income and are used to pay for capital repair projects as needs arise.

The final recommended operating budget is \$152,762. This operating budget includes funding for routine maintenance and operation performed by the Public Works Department in the amount of \$152,762 that is funded by the General Fund. This budget includes funds for 0.5 full-time employees to perform exterior grounds maintenance services, contracted cleaning of parking lots and interior walkways, and fountain maintenance.

There are no proposed Capital outlay expenditures to cover maintenance and improvements of parking lots and associated walkways in FY 2020/21. Both parking lots at the complex were

resurfaced and striped during the summer of 2019. The work was funded by previously collected property owner assessments.

Proposition 218 requires that written ballots be sent and returned if there are proposed increases greater than any previously approved assessments. Since the proposed assessments of \$10,374 (\$14,200 minus \$3,826 in interest) for FY 2020/21 are less than the greatest previously approved assessments, no ballots and approvals are required from the property owners. Therefore, staff's recommendation includes a provision to overrule any protests, if received. The assessments to the property owners cannot be sent out until the Director's Report is approved at a public hearing.

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

Approval of the assessment maintains the funding source for future capital repairs to parking lots and walkways located within Franklin Square. The City's General Fund remains as the funding source for routine maintenance and operating costs for the Downtown Parking Maintenance District. The total proposed FY 2020/21 expenditure budget for Parking Maintenance District No. 122 is \$152,762, which is below the \$174,660 included for FY 2020/21 in the FY 2019/20 and FY 2020/21 Adopted Biennial Operating Budget based on actual expenditure trends. This budget amount will be incorporated into the FY 2020/21 Operating Budget adjustments that will be brought forward with the FY 2020/21 and FY 2021/22 Biennial Capital Budget.

COORDINATION

This report has been coordinated with the Finance Department and 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>>.

On May 20, 2020, the Notice of Public Hearing for the June 9 Council meeting was published in the Santa Clara Weekly. In addition, the notice was 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.

ALTERNATIVES

1. Adopt a Resolution overruling any protests and ordering that the alternative method for the levy of benefit assessment be made applicable to the City of Santa Clara Parking Maintenance District No. 122 and approving, confirming, and adopting the Director's Report for FY 2020/21.
2. Do not adopt a Resolution to move forward with collecting the property owner assessments. The

City would need to fund future extraordinary repairs with General Fund monies if the property owner assessments are not collected.

RECOMMENDATION

Alternative 1:

Adopt a Resolution overruling any protests and ordering that the alternative method for the levy of benefit assessment be made applicable to the City of Santa Clara Parking Maintenance District No. 122 and approving, confirming, and adopting the Director's Report for FY 2020/21.

Reviewed by: Craig Mobeck, Director of Public Works

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Resolution
2. Director's Report FY 2020/21
3. Resolution of Intention
4. Notice of Public Hearing