



Council Meeting: June 2, 2009

SUBJECT: Resolution of Intention to Levy and Collect Assessment for the Downtown Parking Maintenance District for Fiscal Year (FY) 2009-2010 and for each fiscal year thereafter; Approval of the Preliminary Engineer's Report; Authorize the Mailing of Proposed Assessment Ballots; and Set a Public Hearing for July 28, 2009.

REPORT IN BRIEF

The operation and maintenance of the downtown parking areas are supported by an assessment district (the Downtown Parking Maintenance District, hereinafter called the "District"). The current assessment for the District will expire on June 30, 2009. A voter approval process is required by state law to provide the City authority to levy and collect the assessment for the District for FY 2009-2010, and for each fiscal year thereafter.

Staff recommends a base assessment rate be established for FY 2009-2010. This base assessment rate will be adjusted annually by the previous year's change in the Consumer Price Index for subsequent fiscal years until a new base assessment rate is required. If there are any major parking demand changes or other needs, a new base assessment rate can be established by conducting a new election. To establish a new base assessment rate would require a voter approval process, while adjusting the base assessment rate with a clearly defined inflation factor would not.

Staff recommends that the City Council adopt a resolution of intention to levy and collect the assessments for the District for FY 2009-2010, and for each fiscal year thereafter and take other actions as required by state law.

DISCUSSION

Property owners voted for approval of the current assessment on July 22, 2008. The current assessment rates are as follows:

Benefit Zone No.	Total Deficit Parking Demand	FY 2008-09 Maintenance Budget	FY 2008-09 Interest Reserve Fund Transfer	FY 2008-09 Assessment Revenue	FY 2008-09 Assessment Per Deficit Parking Space
1	60.59	\$0.00	\$0.00	\$0.00	\$0.00
2	172.38	\$26,351.95	\$2,392.85	\$23,959.10	\$138.99
3	2057.31	\$136,558.67	\$12,400.01	\$124,158.66	\$60.35
4	<u>329.19</u>	<u>\$6,582.38</u>	<u>\$597.71</u>	<u>\$5,984.67</u>	\$18.18
Total	2,619.47	\$169,493.00	\$15,390.57	\$154,102.43	

As in past years, staff retained Francisco & Associates, Inc. (the "Assessment Engineer") to assist in preparing the Engineer's Report required by state law. City has customarily performed either a one-year or a two-year voter approval assessment.

Staff recommends using the FY 2009-2010 assessment rate per deficit parking space (the "Assessment Rate") as the base Assessment Rate; and then the base Assessment Rate be adjusted annually by the previous year's change in the Consumer Price Index for all urban consumers for the San Francisco-Oakland-San Jose Area as determined by the U. S. Department of Labor ("the CPI") each fiscal year thereafter.

State law provides the authority for the City to adjust Assessment Rate for inflation with a clearly identified formula stated in the resolution and presented for voter approval. According to applicable state law, a clearly defined inflation adjustment is not considered as an increase to the assessment. Therefore, there is no need for subsequent voter approval during the fiscal years that the assessment is adjusted by the CPI (the "non-voter approval fiscal years"). An annual Engineer's Report will still be prepared by the Assessment Engineer and filed with the City Clerk, as permitted and required by applicable state law. Should there be a need to establish a new base Assessment Rate in future fiscal years based upon the Assessment Engineer's evaluation and recommendation, a new voter-approval assessment process will be implemented with a recommended new base Assessment Rate for that fiscal year. During that fiscal year, the City can recommend that the new base Assessment Rate be adjusted by the change in the CPI every fiscal year thereafter until another voter-approval assessment process is implemented.

The City has been able to maintain the same level of service (e.g. parking lot sweeping, signage, tree trimming, etc.) by using a portion of the reserves in the District Fund to augment the assessment levied to property owners. The projected reserve balance in the District Fund will be about \$597,000 at the beginning of Fiscal Year 2009-2010. There are major maintenance

improvements, with a total cost in the amount of approximately \$423,000, scheduled and budgeted over four (4) separate fiscal years for each parking lot in zones 2, 3 and 4. Instead of increasing the assessment rate for any specific zone that benefit from their respective parking lot improvements, the \$423,000 will be withdrawn from the reserves. The remaining balance of the reserve, in the amount of approximately \$174,000 will continue to be used to fill in the gap between the maintenance costs and the assessment revenues until the reserves are exhausted. If reserves are not used to supplement the assessment, the base Assessment Rate would be higher. Past comments from the affected property owners during the voter approval assessment process indicate a desire to use the reserve and keep the assessment low.

For FY 2009-2010, staff recommends the Assessment Rate remain the same as the previous fiscal year's Assessment Rate. The overall assessment revenue for FY 2009-2010 will be less due to reductions in the deficit parking demand, such as a 74.95 deduction in Benefit Zone 4 as a result of the demolition of existing buildings in the Town & Country area. The following table illustrates staff's recommended Assessment Rate for FY 2009-2010.

Benefit Zone No.	Total Deficit Parking Demand	FY 2009-10 Maintenance Budget	Interest Reserve Fund (to be transferred)	FY 2009-10 Assessment Revenue	FY 2009-10 Assessment Per Deficit Parking Space
1	56.80	\$0.00	\$0.00	\$0.00	\$0.00
2	172.38	\$24,623.35	\$664.27	\$23,959.08	\$138.99
3	2,060.42	\$128,898.22	\$4,552.20	\$124,346.02	\$60.35
4	254.24	\$6,197.43	\$1,575.35	\$4,622.08	\$18.18
	2,543.84	\$159,719.00	\$6,791.82	\$152,927.18	

As in the previous assessment, due to the sale of the Town & Country parking lots and the loss of parking, properties in Zone 4 will benefit from the nearby Frances Street parking lot and therefore, are being assessed their proportionate amount of the maintenance costs for the Frances parking lot. Also, as in the previous assessment, property owners in Zone 1 (primarily Town Center), with a parking deficit of 57 parking spaces, will not be assessed for FY 2009-2010 and subsequent fiscal years due to the fact that Town Center owners are maintaining the parking facilities as part of construction and are required to maintain the new parking facilities as well as the existing parking structure adjacent to Target. Property owners in Zone 1 (south of Iowa Avenue) will be able to use the available parking facilities, but the Town Center owners will pay for the maintenance and operation of those parking facilities.

The City is unable to move forward with the assessment without voter approval. State law requires the City to give notice at least forty-five (45) days prior to the date of the public hearing upon the proposed assessment.

If property owners do not vote in favor of the proposed FY 2009-2010 assessment and for each fiscal year thereafter, the City will not have the authority to levy and collect the assessment. It is clearly the obligation of the property owners to provide parking for their buildings. The District was established as an inexpensive and cost effective mechanism for property owners that do not provide adequate on-site private parking to meet parking requirements. It is unlikely that individual property owners could do this as cost effectively as the District. If the assessment is not approved by property owners, staff would recommend consideration of paid parking or other revenue generating options to support operation and maintenance of the parking lots.

FISCAL IMPACT

The recommended budget to maintain the parking lots for FY 2009-2010 is \$159,719. Approval of recommended FY 2009-2010 assessment will generate approximately \$152,927 in revenue for FY 2009-2010. The difference of \$6,792 is available from the reserves.

Because the reserves will fund major maintenance improvements and the recommended assessment does not fully cover the on-going operational expenditures, it is estimated the reserves will be completely drawn down in thirteen (13) years. It is anticipated with the various developments occurring or planned in the downtown area, parking will be reviewed, including how maintenance and operation should be funded, within this timeframe.

PUBLIC CONTACT

During the week of May 18, 2009, informational letters were mailed to each property owner explaining the proposed assessment methodology. 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. Property owners were provided the opportunity to review the parcel information and report any inaccuracies directly to the Assessment Engineer.

The informational letters sent to property owners included the date of the Council meeting. Public contact was also made by posting the Council agenda on the City's official notice bulletin board outside City Hall, at the Senior Center, Community Center, and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk, and on the City's Web site. A public outreach meeting will be held during the week of June 8, 2009.

ALTERNATIVES

1. Take four actions to give the City the necessary authority to levy and collect the assessment for public parking facilities from property owners within the District for FY 2009-2010, and for each fiscal year thereafter:
 - Adopt a Resolution of Intention
 - Approve the Preliminary Engineer's report
 - Set the July 28, 2009 Council meeting as the required public hearing
 - Authorize mailing of Notice of Proposed Assessment and ballots
2. Do not take action to give the City the necessary authority to levy and collect the assessment for the public parking facilities for FY 2009-2010 and subsequent fiscal years.

RECOMMENDATION

Staff recommends Alternative #1. This will allow staff to mail ballots to property owners and return to Council on July 28, 2009 for the public hearing.

Reviewed by:

Marvin A. Rose, Public Works Director
Prepared by: Mark Rogge, Assistant Public Works Director

Reviewed by:

Mary J. Bradley, Director of Finance

Approved by:

Gary Luebbers
City Manager

ATTACHMENTS

- A. Resolution of intent to levy and collect the assessment for the Downtown Parking Maintenance District
- B. Preliminary Engineer's Report for FY 2009-2010
- C. Assessment Background, Methodology and Existing Policy

RESOLUTION NO. _____**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUNNYVALE DECLARING ITS INTENTION TO LEVY AND COLLECT AN ASSESSMENT FOR THE DOWNTOWN PARKING MAINTENANCE DISTRICT FOR FISCAL YEAR 2009-2010, AND FOR EACH FISCAL YEAR THEREAFTER AND TO SET DATE AND TIME FOR PUBLIC HEARING**

WHEREAS, the City Council created an assessment district known as the Downtown Parking Maintenance District, City of Sunnyvale, Santa Clara County, California, which includes all parcels of land, including land owned by the City of Sunnyvale or any other federal, state or local public agency, shown on the map designated "Downtown Parking Maintenance District Assessment Diagram, City of Sunnyvale, County of Santa Clara, State of California," which is on file with the City Clerk; and

WHEREAS, the City Council intends to levy and collect assessments to be used to maintain existing parking facilities pursuant to Chapter 14.26 of the Sunnyvale Municipal Code located within the boundaries of Mathilda Avenue, Evelyn Avenue, West Iowa Avenue, Sunnyvale Avenue, McKinley to Carroll Street, including several parcels located east of Carroll Street, as more particularly shown in the map attached to this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT:

1. The City Council hereby approves the Preliminary Engineer's Report on file in the office of the City Clerk of the City of Sunnyvale.

2. Francisco & Associates, the assessment Engineer, has filed with the City Clerk the report required by Chapter 14.26 of the Sunnyvale Municipal Code, which report is open to public inspection and by reference incorporated herein. The report includes the total amount of the proposed assessment to the entire district for fiscal year 2009-2010, the amount chargeable to the record owner's parcel for that year, the duration of the payments, the reason for the assessment, and the basis upon which the proposed assessment was calculated. All interested persons are referred to that report for a full and detailed description of the improvements, the boundaries of the assessment district, the assessment zones, and the proposed assessments upon assessable lots and parcels of land within the assessment district.

3. On July 28, 2009, at the hour of 7:00 p.m., the City Council will conduct a public hearing on the levy of the proposed assessment for fiscal year 2009-2010 and for each fiscal year thereafter by adjusting the annual assessment rate per deficit parking space with inflation factor based upon previous year's change in the Consumer Price Index (all urban consumers for the San Francisco-Oakland-San Jose Area as determined by the U.S. Department of Labor) until a new voter-approval assessment process is implemented, as authorized by state law. The hearing will be held at the meeting place of the City Council located at City Hall, Council Chambers, 456 West Olive Avenue, Sunnyvale, California.

4. The City Clerk is authorized and directed to give the notice of hearing together with the Assessment Ballot required by Article XIII D of the California Constitution and the Proposition 218 Omnibus Implementation Act.

Adopted by the City Council at a regular meeting held on June 2, 2009, by the following

vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

City Clerk
(SEAL)

Mayor

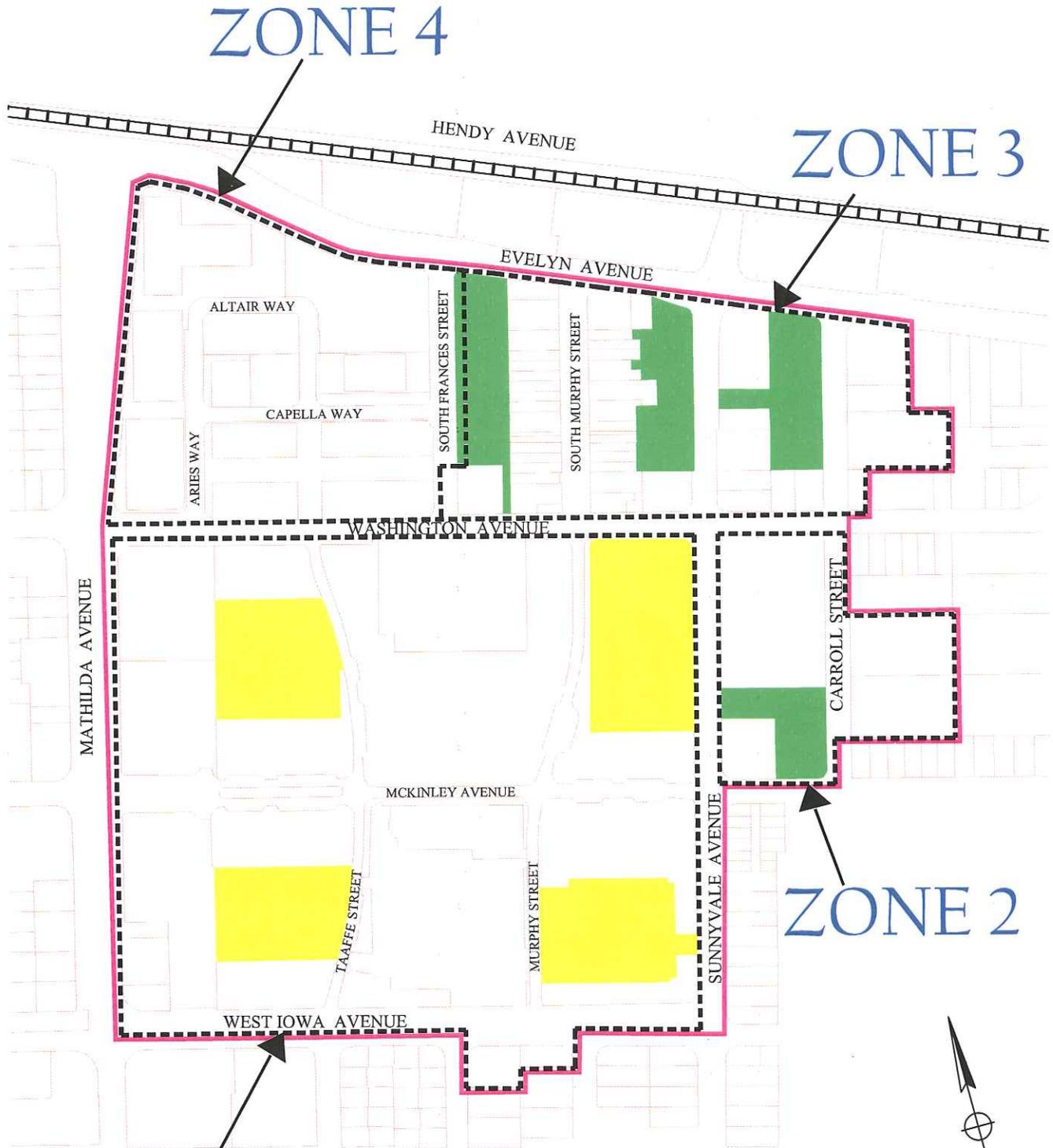
APPROVED AS TO FORM AND LEGALITY:

David E. Kahn, City Attorney

ATTACHMENT: DOWNTOWN PARKING MAINTENANCE DISTRICT DIAGRAM

CITY OF SUNNYVALE

DOWNTOWN PARKING MAINTENANCE DISTRICT DIAGRAM



ZONE 1

ZONE 4

ZONE 3

ZONE 2

LEGEND	
	EXISTING PARKING DISTRICT BOUNDARY
	ZONE BOUNDARY
	PARKING DISTRICT LOTS
	MALL PARKING LOTS





CITY OF SUNNYVALE DOWNTOWN PARKING MAINTENANCE DISTRICT



Fiscal Year 2009-10
Preliminary Engineer's Report

June 2, 2009

Prepared by:
Francisco & Associates, Inc.

130 Market Place, Suite 160
San Ramon, CA 94583
(925) 867-3400



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COUNCIL MEMBERS

Anthony (Tony) Spitaleri
Mayor

Christopher Moylan
Vice Mayor

Dean Chu
Councilmember

Melinda Hamilton
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John Howe
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David Kahn
City Attorney

Marvin Rose
Director of Public Works

Mary Bradley
Director of Finance

Mark Rogge, P.E.
Assistant Director of Public Works

Judy Chu, P.E.
Senior Civil Engineer

ENGINEERS

Francisco & Associates, Inc.
Assessment Engineer

The undersigned, acting on behalf of *Francisco & Associates, Inc.*, respectfully submits the enclosed Engineer's Report as directed by City Council of the City of Sunnyvale pursuant to the provisions of the City of Sunnyvale Municipal Code (Chapter 14.26). The undersigned certifies that he is a Professional Engineer, registered in the State of California.



Dated: May 5, 2009

By: Joseph A. Francisco, P.E.
R.C.E. No. 40688

I HEREBY CERTIFY that the enclosed Engineer's Report, including the Assessment Roll and Maintenance District Diagram, thereto attached, was filed with me on the ____ day of _____, 2009.

Kathleen Franco Simmons
City Clerk
City of Sunnyvale
Sunnyvale, California

By: _____

I HEREBY CERTIFY that the enclosed Engineer's Report, together with the Assessment Roll and the Maintenance District Diagram, thereto attached, was approved and confirmed by the City Council of the City of Sunnyvale, on the ____ day of _____, 2009.

Kathleen Franco Simmons
City Clerk
City of Sunnyvale
Sunnyvale, California

By: _____

I HEREBY CERTIFY that the enclosed Engineer's Report, including the Assessment Roll and the Maintenance District Diagram, thereto attached, was filed with the County Auditor of the County of Santa Clara on the ____ day of _____, 2009.

Joseph A. Francisco
Francisco & Associates, Inc.

By: _____

SECTION I

INTRODUCTION

ENGINEER'S REPORT

SUNNYVALE DOWNTOWN PARKING MAINTENANCE DISTRICT

FISCAL YEAR 2009-10

HISTORY

On September 1, 1964 the City Council adopted Resolution No. 6643, which authorized the City of Sunnyvale to levy an ad-valorem assessment on all taxable properties within the boundaries of the Sunnyvale Downtown Parking Maintenance District. This ad-valorem assessment was used to pay for the operation and maintenance of existing public parking facilities and the debt service payments associated with the acquisition and construction of various public parking facilities within the boundaries of the Sunnyvale Downtown Parking Maintenance District.

IMPACTS OF PROPOSITION 218

On November 5, 1996, California voters approved Proposition 218, entitled the "Right to Vote On Taxes Act", which added Articles XIIC and XIID to the California Constitution. While its title refers only to taxes, Proposition 218 established new procedural requirements for the formation and administration of assessment districts. Commencing in FY 1997-98, the City can no longer levy assessments, based upon each parcel's assessed valuation (ad-valorem), to fund the annual operation and maintenance of parking facilities. Assessments to fund these facilities must now be spread to each parcel based upon their proportionate share of benefit that they receive from those parking facilities. Because the previous methodology did not allocated the costs to each parcel based upon their proportionate share of benefit the assessment spread methodology had to be revised.

Proposition 218 requires that all affected property owners be given the opportunity to vote either in favor or against the proposed assessment. Therefore, in order to comply with the requirements of Proposition 218 and levy assessments for Fiscal Year 2009-10 and each fiscal year thereafter, the City will implement the following procedures:

- 1) Every property owner subject to the proposed assessment will receive a ballot in the mail (mailed a minimum of 45 days before the Public hearing) allowing the property owner to vote on whether or not to approve the levying of assessments within the proposed Maintenance District. The ballots will be accompanied by a public notice describing the total assessment, the individual property owner's assessment, the duration of the assessment, the reason for the assessment and the basis upon which the assessment was calculated.

- 2) The ballots returned to the City Clerk before the close of the public input portion of the public hearing will be tabulated to determine whether a majority protest against the assessment levy exists. A majority protest exists if over 50% of the ballots received, weighted by assessment amount, oppose the levy of assessment.

If a majority of those ballots are opposed to the assessment, the City Council can not levy the proposed assessments. If a majority of the ballots received prior to the close of the Public Hearing, weighted by assessment amount, approve the assessment, the City Council may choose to levy the assessment for Fiscal Year 2009-10 and each fiscal year thereafter.

- 3) In order to comply with the Provisions of Proposition 218, if publicly owned parcels benefit from the parking facilities, they will be assessed.

SECTION II

ENGINEER'S REPORT PREPARED PURSUANT TO THE PROVISIONS OF
THE CITY OF SUNNYVALE MUNICIPAL CODE (CHAPTER 14.26)

FISCAL YEAR 2009-10

Pursuant to City of Sunnyvale Municipal Code (Chapter 14.26) and in accordance with the Resolution of Intention, being Resolution No. 09-_____, adopted June 2, 2009, by the City Council of the City of Sunnyvale, I, Joseph A. Francisco, the duly appointed Engineer of Work and acting for *Francisco & Associates, Inc.*, Assessment and Administration Engineer for the District, submit the following Report, consisting of Section I (Introduction) above, which is largely based on information provided by the City of Sunnyvale and this Section II, which consists of five (5) parts, as follows:

PART I: DESCRIPTION OF IMPROVEMENTS

This part describes the improvements in the Maintenance District. Plans and specifications for the improvements listed in Part I are on file in the Office of the Clerk of the City of Sunnyvale. Such plans and specifications are incorporated herein by reference.

PART II: ESTIMATE OF COST

This part contains an estimate of the costs of the proposed improvements for Fiscal Year 2009-10, including incidental costs and expenses in connection therewith. This estimate is also on file in the Office of the Clerk of the City of Sunnyvale.

PART III: PARKING DISTRICT DIAGRAM

This part incorporates, by reference, the "Downtown Parking District Diagram", which is a diagram of the Maintenance District showing the exterior boundaries of the District and the lines and dimensions of each lot or parcel of land within the District. This Diagram has been prepared by the Engineer and is on file in the Office of the Clerk of the City of Sunnyvale. The lines and dimensions of each lot or parcel within the District are those lines and dimensions shown on the maps of the Assessor of the County of Santa Clara for the year when this Report was prepared. The Assessor's maps and records are incorporated by reference to the Assessor parcel numbers included herein in Appendix "B" and made part of this Report.

PART IV: METHOD OF APPORTIONMENT OF ASSESSMENT

This part describes the method of apportionment of assessments, based upon each parcel's current use, within the boundaries of the Maintenance District. The apportionment of assessments to each parcel is in proportion to the estimated benefits the parcel receives from the improvements.

PART V: PROPERTY OWNER LIST & ASSESSMENT ROLL

This part contains a list of the Santa Clara County Assessor's Parcel Numbers and the net amount to be assessed upon benefited lands within the Maintenance District for Fiscal Year 2009-10.

The Assessment Roll is filed in the Office of the Clerk of the City of Sunnyvale and is incorporated in Appendix "B" of this Report. The list is keyed to the records of the Assessor of the County of Santa Clara, which are incorporated herein by reference.

PART I

DESCRIPTION OF IMPROVEMENTS

Parking Facilities:

The parking facility improvements that can be operated, maintained and serviced by the Maintenance District for Fiscal Year 2009-10 consist of the public parking facilities shown in Appendix "A" of this report.

PART II

ESTIMATE OF COST

The City of Sunnyvale Municipal Code (Chapter 14.26) provides that the total cost of operation, maintenance and servicing of public parking facilities can be recovered by the levying of assessments.

Operation, maintenance and servicing costs include, but are not limited to; the repair and replacement of existing parking facilities, personnel, electrical energy, utilities such as water, materials, contractual services and other items necessary or appropriate for the parking facilities. Incidental expenses include the administration of the Maintenance District, engineering fees, legal fees, printing, posting and mailing of notices. Insurance and all other costs associated with the annual collection process are also included.

The operation, maintenance and servicing costs for Fiscal Year 2009-10 are summarized below in Table 1. These cost estimates were provided by the City of Sunnyvale.

TABLE 1 City of Sunnyvale Downtown Parking Maintenance District Budget FY 2009-10	
	FY 2009-10 Total Assessment
<u>Revenues:</u>	
Projected Revenue	\$152,927.18
Interest Income	<u>\$6,791.82</u>
Total Revenues	\$159,719.00
<u>Expenses:</u>	
Parking Lot Maintenance & Administration	<u>\$159,719.00</u>
Total Expenses	\$159,719.00

The City of Sunnyvale Municipal Code (Chapter 14.26) requires that a special fund be set up for the revenues and expenditures of the District. Funds raised by assessments shall be used only for the purpose as stated herein. The City of Sunnyvale or, subject to the discretionary approval of the City of Sunnyvale City Council, any other person may contribute to the District to reduce assessments. Any balance remaining on July 1 must be carried over to the next fiscal year unless the funds are being accumulated for future capital improvements or operating reserves.

PART III

MAINTENANCE DISTRICT DIAGRAM

The boundaries of the Maintenance District are within the boundaries of the City of Sunnyvale. A diagram (the "Downtown Parking Maintenance District Diagram") of the District showing the exterior boundaries of the District has been prepared by the Engineer of Work and is on file in the Office of the Clerk of the City of Sunnyvale and a copy of the Assessment Diagram is shown in Appendix "A" of this Report. For a detailed description of the lines and dimensions of each lot or parcel within the Downtown Parking Maintenance District are those lines and dimensions shown on the maps of the Assessor of the County of Santa Clara for Fiscal Year 2009-10. The Assessor's parcel maps for the lots and parcels within the Downtown Parking Maintenance District are incorporated by reference herein and made part of this Report.

PART IV

METHOD OF APPORTIONMENT OF ASSESSMENT

GENERAL

The City of Sunnyvale Municipal Code (Chapter 14.26) permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, which include the operation, maintenance and servicing of public parking facilities.

The City of Sunnyvale Municipal Code (Chapter 14.26) requires that the assessments must be levied according to benefit rather than according to assessed value. In addition, Article XIII D, Section 4(a) of the California Constitution, limits the amount of any assessment to the proportional special benefit conferred on the property.

Because assessments are levied on the basis of benefit, they are not considered to be a tax governed by Article XIII A of the California Constitution.

The City of Sunnyvale Municipal Code (Chapter 14.26) permits the designation of zones of benefit within any individual assessment district if "by reasons or variations in the nature, location and extent of the improvements, the various areas will receive different degrees of benefit from the improvement".

Article XIII D provides that publicly owned properties must be assessed unless there is clear and convincing evidence that those properties receive no special benefit from the assessment. Exempted from the assessment would be the areas of public streets, public avenues, public lanes, public roads, public drives, public courts, public alleys, public easements and rights-of-ways, public greenbelts and public parkways and that portion of public property that is not developed and used for business purposes similar to private commercial, industrial and institutional activities.

PUBLIC PARKING BENEFIT ANALYSIS

Property owners within the Downtown Parking Maintenance District receive a special and direct benefit from the District parking facilities because this allows property owners to develop or redevelop their properties without providing needed on-site parking to support their development. This Parking District allows property owners to maximize their parcel's development capabilities (i.e. by only requiring property owners who construct additional building square footage on their parcel to provide additional on-site parking for that additional building square footage constructed). The ability to maximize a parcel's development capabilities increases the value of these properties within the boundaries of the District.

BENEFIT ASSESSMENT METHODOLOGY

The total cost to operate, maintain and service the parking facilities are apportioned to each parcel within the boundaries of the Maintenance District in accordance with a methodology that is consistent with standard assessment engineering practices. The method for spreading the costs to each parcel is based on each parcel's pro-rata share of deficit parking spaces. The number of deficit parking spaces for each parcel is equal to the number of parking spaces needed per the City's Parking Demand Guidelines (see Table 2 below) less the number of existing parking spaces located on their parcel.

TABLE 2 City of Sunnyvale Downtown Parking Maintenance District Parking Demand Guidelines	
Current Type of Use	One Parking Space Per
Apartments (1 Bedroom)	0.66667 Units
Apartments (2-3 Bedrooms)	0.57143 Units
Churches	3 Seats
Condos	0.50 Units
Financial Institutions	180 sq. ft.
General Offices (Free Standing)	250 sq. ft.
General Offices (In Center)	250 sq. ft.
Hotels	Rooms + Employees
Industrial Warehouses	2,500 sq. ft.
Medical/Dental	180 sq. ft.
Nightclubs and Bars	50 sq. ft.
Other Uses	180 sq. ft.
Repair Garages	180 sq. ft.
Research & Development	500 sq. ft.
Rest Homes	2.25 Units
Restaurants w/ Bars or Fast Food	75 sq. ft.
Restaurants w/o Bars	110 sq. ft.
Retail	250 sq. ft.
Senior Citizen Apartments	2.0 Units + Employees
Shopping Centers	225 sq. ft.

Because of the varying size and location of parking facilities located within the Maintenance District, special benefit zones have been established to accurately track the operation and maintenance costs and assess only those properties that benefit from the improvements located within their respective benefit zone. All parcels within the boundaries of the District are located within either Benefit Zone No. 1, 2, 3 or 4. Properties located within each benefit zone will only be required to pay for the operation and maintenance of the parking facilities located within their respective benefit zone. The total cost to operate and maintain the parking facilities within each benefit zone will be spread to each parcel within that benefit zone based upon their proportionate number of deficit parking spaces.

Parcels will be assessed (assumes property owner voter approval) based upon their pro-rata share of the number of parking spaces they are in deficit of based upon the City of Sunnyvale

Parking Demand Guidelines. If the parcel has fewer parking spaces than that which is required under the City of Sunnyvale Parking Demand Guidelines, then they are considered in deficit.

For example, if an office building has 25,000 square feet of office space, the City of Sunnyvale would require one (1) parking space for every 250 square feet of office space. Therefore, in this case, the office building would require 100 parking spaces (25,000 sq. ft./ 1 parking space per 250 sq. ft.). If the property owner for the office building had 100 or more parking spaces then the property owner would not be placing a demand for additional parking and therefore would not be assessed. However, if the property owner only had 70 on-site parking spaces then there would be a parking deficit of 30 parking spaces for that particular parcel.

Based upon the annual budget needed to operate and maintain the existing public parking facilities for Fiscal Year 2009-10, the assessment rates per deficit parking space for each benefit zone are summarized below in Tables No. 3.

TABLE 3 FY 2009-10 - Assessment Rates per Benefit Zone					
Benefit Zone No.	Total Deficit Parking Demand	FY 2009-10 Maintenance & Administration Budget	Less FY 2009-10 Interest Income	FY 2009-10 Assessment Revenue ¹	FY 2009-10 Assessment Per Deficit Space
1	56.80	\$0.00	\$0.00	\$0.00	\$0.00
2	172.38	\$24,623.35	\$664.27	\$23,959.08	\$138.99
3	2,060.42	\$128,898.22	\$4,552.20	\$124,346.02	\$60.35
4	254.24	\$6,197.43	\$1,575.35	\$4,622.08	\$18.18
Total	2,543.84	\$159,719.00	\$6,791.82	\$152,927.18	

¹ The County Auditor requires all individual assessments to be levied in even pennies so that the property tax bills can be split evenly into two payments. Therefore, in some Benefit Zones the Total Deficit Parking Demand multiplied by the FY 2009-10 Assessment per Deficit Space does not equal the FY 2009-10 Assessment Revenue and is off by pennies.

Maximum Annual Assessment Rate Increases

The FY 2009-10 assessment rates per deficit parking space shown above for each Benefit Zone are the maximum annual assessment rates that can be levied in FY 2009-10. Each fiscal year thereafter the maximum annual assessment rates shown above will be increased based upon the prior year’s change in the Consumer Price Index (All Urban Consumers) for the San Francisco-Oakland-San Jose Area as determined by the U. S. Department of Labor.

Exempt Parcels. Exempted from the assessment would be the areas of public streets, public avenues, public lanes, public roads, public drives, public courts, public alleys, public easements and rights-of-ways, public greenbelts and public parkways and that portion of public property that is not developed and used for business purposes similar to private commercial, industrial and institutional activities. A variance may be granted by the District for any parcel determined not benefited by the assessment.

PART V

PROPERTY OWNER LIST & ASSESSMENT ROLL

A list of names and addresses of the owners of all lots and parcels of land within the Maintenance District was compiled from the last equalized secured property tax assessment roll of the Assessor of the County of Santa Clara. Such list was further defined by excluding from it all parcels that are not being assessed by the District, and as so defined, is a part of the Assessment Roll. The Assessment Roll is keyed to Assessor's parcel numbers referenced in Appendix "B" to this Report.

The total proposed annual assessment for FY 2009-10 is \$152,927.18.

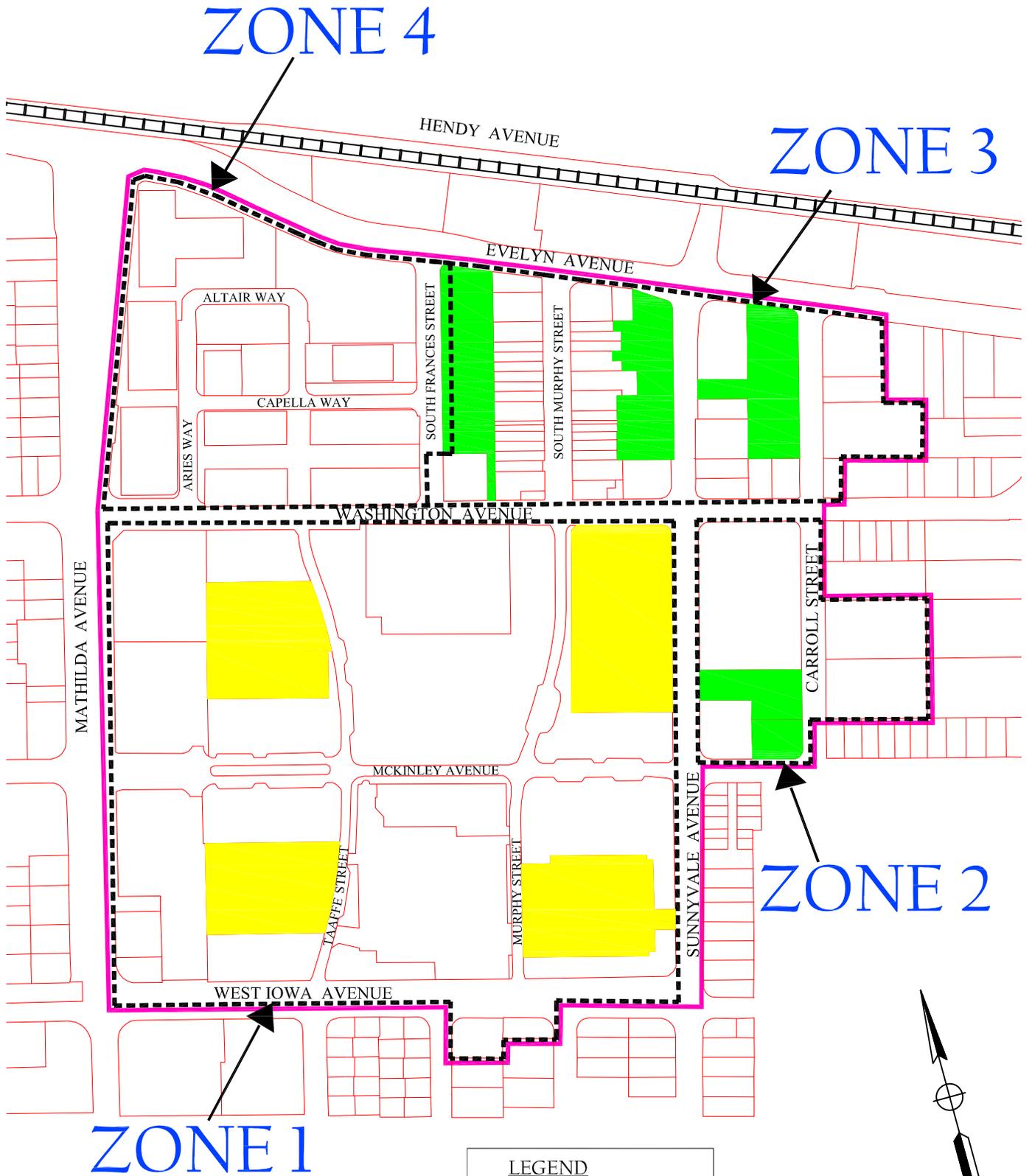
APPENDIX A

FY 2009-10

MAINTENANCE DISTRICT DIAGRAM

CITY OF SUNNYVALE

DOWNTOWN PARKING MAINTENANCE DISTRICT DIAGRAM



LEGEND	
	EXISTING PARKING DISTRICT BOUNDARY
	ZONE BOUNDARY
	PARKING DISTRICT LOTS
	MALL PARKING LOTS

APPENDIX B

FY 2009-10

ASSESSMENT ROLL CALCULATIONS

City of Sunnyvale
Downtown Parking Maintenance District
FY 2009-10 Assessment Summary

Assessor Parcel Number	Property Owner Name	Property Address	Benefit Zone	Total Parking Demand	Existing On-Site Parking	Remaining Parking Demand	FY 2009-10 Assessment
209 05 011	SMITH GREGORY B	299 E WASHINGTON AVE	3	19.90	8.00	11.90	\$718.16
209 05 012	HILL FRED	219 E WASHINGTON AVE	3	27.35	4.00	23.35	\$1,409.16
209 05 013	ASKARINAM BEHZAD TR/TR ASKARINAM LOUISE TR/TR	205 E WASHINGTON AVE	3	21.67	24.00	0.00	\$0.00
209 05 014	SUNNYVALE MOTEL INVESTMENTS, INC AUBURN MOTEL INV GRP LLC	170 S SUNNYVALE AVE	3	121.00	0.00	121.00	\$7,302.34
209 05 033	ASSEMBLIES OF GOD NTHRN CA & NV DIST COUNC	305 E WASHINGTON AVE	3	60.00	0.00	60.00	\$3,621.00
209 05 034	CARROLL STREET ASSOCIATES	174 CARROLL ST	3	64.00	34.00	30.00	\$1,810.50
209 05 036	GILMORE ROY JAMES	124 CARROLL ST	3	54.80	0.00	54.80	\$3,307.18
209 05 039	ACCOLA RALPH A	122 S SUNNYVALE AVE	3	75.29	7.00	68.29	\$4,121.30
209 05 040	GOLD GARY M	130 S SUNNYVALE AVE	3	22.22	0.00	22.22	\$1,340.98
209 05 048	HUANG ROBERT	134 CARROLL ST #101	3	2.00	1.00	1.00	\$60.34
209 05 049	CHRISTOPHER J & KRISTIN K LEO	134 CARROLL ST #201	3	2.00	1.00	1.00	\$60.34
209 05 050	LILI NADER-ESFAHANI	134 CARROLL ST #301	3	2.00	1.00	1.00	\$60.34
209 05 051	SHANNON T MCCAFFREY	134 CARROLL ST #102	3	2.00	1.00	1.00	\$60.34
209 05 052	MA GRACE C	134 CARROLL ST #202	3	2.00	1.00	1.00	\$60.34
209 05 053	JOSE RODRIGUEZ	134 CARROLL ST #302	3	2.00	1.00	1.00	\$60.34
209 05 054	DELMAR & GISELL ROBERTSON	134 CARROLL ST #203	3	2.00	1.00	1.00	\$60.34
209 05 055	ANA MARIA AHUMADA	134 CARROLL ST #303	3	2.00	1.00	1.00	\$60.34
209 06 003	JOHN W HUBBARD	127 S MURPHY AVE	3	26.14	0.00	26.14	\$1,577.54
209 06 004	JOHN W HUBBARD	133 S MURPHY AVE	3	48.33	0.00	48.33	\$2,916.72
209 06 005	KIEHL ROBERT E & ANN D	135 S MURPHY AVE	3	35.00	0.00	35.00	\$2,112.24
209 06 006	PODGURSKI JOHN AND ANGELIKA	139 S MURPHY AVE	3	32.47	0.00	32.47	\$1,959.56
209 06 007	141 SOUTH MURPHY LLC	141 S MURPHY AVE	3	76.27	0.00	76.27	\$4,602.88
209 06 008	GERA NICHOLAS	151 S MURPHY AVE	3	39.99	0.00	39.99	\$2,413.40
209 06 009	GERA NICHOLAS M AND SUEANNE	155 S MURPHY AVE	3	45.45	0.00	45.45	\$2,742.90
209 06 010	GEORGE J & LINDA LI	163 S MURPHY AVE	3	54.02	0.00	54.02	\$3,260.10
209 06 011	HRAIR & ARAKNAZ BOURSALIAN	165 S MURPHY AVE	3	6.32	0.00	6.32	\$381.40
209 06 012	JOSE & ESPERANZA ACEVEDO	173 S MURPHY AVE	3	13.64	0.00	13.64	\$823.16
209 06 013	CHUCK W & LILY L WOO	175 S MURPHY AVE	3	35.43	0.00	35.43	\$2,138.20
209 06 014	CHUCK W & LILY L WOO	181 S MURPHY AVE	3	40.67	0.00	40.67	\$2,454.42
209 06 016	YOUNG PATRICK	123 W WASHINGTON AVE	3	126.45	0.00	126.45	\$7,631.26
209 06 017	ESCALANTE NANCY G	197 S MURPHY AVE	3	12.00	0.00	12.00	\$724.20
209 06 018	HASS EVON K ARMANINI GEORGE A	165 W WASHINGTON AVE	3	75.55	0.00	75.55	\$4,559.44
209 06 022	PERRY MARIA L	105 S MURPHY AVE	3	64.78	0.00	64.78	\$3,909.46
209 06 025	CALI CAROL M STOWELL CHARLES	141 E WASHINGTON AVE	3	5.23	0.00	5.23	\$315.62

City of Sunnyvale
Downtown Parking Maintenance District
FY 2009-10 Assessment Summary

Assessor Parcel Number	Property Owner Name	Property Address	Benefit Zone	Total Parking Demand	Existing On-Site Parking	Remaining Parking Demand	FY 2009-10 Assessment
209 06 026	DUBROVNIK ASSOCIATES INC	192 S MURPHY AVE	3	50.67	0.00	50.67	\$3,057.92
209 06 027	CALI CAROL M	190 S MURPHY AVE	3	50.67	0.00	50.67	\$3,057.92
209 06 028	WALTER W & BRENDA KLOCKO	182 S MURPHY AVE	3	9.60	0.00	9.60	\$579.36
209 06 029	WHITFIELD WENDELL L AND MARY A	178 S MURPHY AVE	3	25.45	0.00	25.45	\$1,535.90
209 06 030	WONG CHICK CHUEN & SHUI LIN	172 S MURPHY AVE	3	17.37	0.00	17.37	\$1,048.28
209 06 031	JAYAN ELLE LLC	168 S MURPHY AVE	3	25.48	0.00	25.48	\$1,537.72
209 06 034	SUN CHRISTOPHER S	146 S MURPHY AVE	3	137.50	0.00	137.50	\$8,298.12
209 06 037	ANTE BILIC	130 S MURPHY AVE	3	36.00	0.00	36.00	\$2,172.60
209 06 038	UNLU ISMAIL	124 S MURPHY AVE	3	30.00	0.00	30.00	\$1,810.50
209 06 059	MUSTANG INVESTMENT GROUP	161 S MURPHY AVE	3	14.37	0.00	14.37	\$867.22
209 06 070	YOUNG PATRICK	114 S MURPHY AVE	3	7.24	0.00	7.24	\$436.92
209 06 072	GOODWILL INDUSTRIES OF SANTA CLARA COUNTY	151 E WASHINGTON AVE	3	36.72	0.00	36.72	\$2,216.04
209 06 075	DUBROVNIK PROPERTIES LLC	100 S MURPHY AVE #5	3	163.71	0.00	163.71	\$9,879.90
209 06 077	GERA NICHOLAS AND SUEANNE	117 S MURPHY AVE	3	160.00	0.00	160.00	\$9,656.00
209 06 079	MUSTANG INVESTMENT GROUP	159 S SUNNYVALE AVE	3	39.00	0.00	39.00	\$2,353.64
209 06 080	WENDELL L & MARY A WHITFIELD	187 S MURPHY AVE	3	16.67	0.00	16.67	\$1,006.02
209 06 081	ANTE BILIC	136 S MURPHY AVE	3	102.67	0.00	102.67	\$6,196.12
209 07 003	DOWNTOWN SUNNYVALE NO LLC	770 TOWN AND COUNTRY	4	0.00	0.00	0.00	\$0.00
209 07 004	DOWNTOWN SUNNYVALE NO LLC	CAPELLA WAY	4	0.00	0.00	0.00	\$0.00
209 07 005	DOWNTOWN SUNNYVALE NO LLC	CAPELLA WAY	4	0.00	0.00	0.00	\$0.00
209 07 006	DOWNTOWN SUNNYVALE NO LLC	155 N TAAFFE ST	4	0.00	0.00	0.00	\$0.00
209 07 007	KASIK MARTIN A AND SHARON	143 S TAAFFE ST	4	64.24	20.00	44.24	\$804.28
209 07 008	DOWNTOWN SUNNYVALE NO LLC	ARIES WAY	4	0.00	0.00	0.00	\$0.00
209 07 009	DOWNTOWN SUNNYVALE NO LLC	770 TOWN AND COUNTRY	4	0.00	0.00	0.00	\$0.00
209 07 014	DOWNTOWN SUNNYVALE NO LLC	770 TOWN AND COUNTRY	4	0.00	0.00	0.00	\$0.00
209 07 015	DOWNTOWN SUNNYVALE NO LLC	WASHINGTON AVE	4	0.00	0.00	0.00	\$0.00
209 07 016	DOWNTOWN SUNNYVALE NO LLC	770 TOWN AND COUNTRY	4	0.00	0.00	0.00	\$0.00
209 07 017	DOWNTOWN SUNNYVALE NO LLC	770 TOWN AND COUNTRY	4	0.00	0.00	0.00	\$0.00
209 07 018	DOWNTOWN SUNNYVALE NO LLC	770 TOWN AND COUNTRY	4	0.00	0.00	0.00	\$0.00
209 07 022	SPF MATHILDA LLC	190 MATHILDA PL	4	499.00	432.00	67.00	\$1,218.06
209 07 023	SPF MATHILDA LLC	150 MATHILDA PL	4	430.00	372.00	58.00	\$1,054.44
209 07 024	SPF MATHILDA LLC	100 MATHILDA PL	4	631.00	546.00	85.00	\$1,545.30
209 10 050	PACIFIC BELL	234 CARROLL ST	2	56.49	54.00	2.49	\$346.08
209 10 061	YUN SO & HAI RAN CHANG	298 S SUNNYVALE AVE	2	108.00	0.00	108.00	\$15,010.92

City of Sunnyvale
Downtown Parking Maintenance District
FY 2009-10 Assessment Summary

Assessor Parcel Number	Property Owner Name	Property Address	Benefit Zone	Total Parking Demand	Existing On-Site Parking	Remaining Parking Demand	FY 2009-10 Assessment
209 10 063	CCHNC PLAZA DE LAS FLORES LLC	200 E WASHINGTON AVE	2	95.89	34.00	61.89	\$8,602.08
209 10 064	PALO ALTO MEDICAL FOUNDATION	244 CARROLL ST	2	56.15	62.00	0.00	\$0.00
209 26 001	ABSAR ILYAS AND SABA M	405 S MURPHY	1	2.22	0.00	2.22	\$0.00
209 26 066	AUCLAIR GARY F AND JACQUELINE B	150 W IOWA	1	47.58	9.00	38.58	\$0.00
209 34 001	GLADYS ROSE ENTERPRISES LP MULLEN EDITH G AND THOMAS	379 S MATHILDA	1	0.00	0.00	0.00	\$0.00
209 34 002	GLADYS ROSE ENTERPRISES LP MULLEN EDITH G AND THOMAS	380 S MATHILDA	1	<u>34.00</u>	<u>18.00</u>	<u>16.00</u>	<u>\$0.00</u>
			Total	4,167.65	1,632.00	2,543.84	\$152,927.18

APPENDIX C

MUNICIPAL CODE (CHAPTER 14.26)

ALTERNATE MAINTENANCE DISTRICTS

CITY OF SUNNYVALE

MUNICIPAL CODE (CHAPTER 14.26)

ALTERNATIVE MAINTENANCE DISTRICTS

Section 14.26.010 Short title.

The procedures provided in this chapter are alternative. (Ord. 2576-98 § 1 (part)).

Section 14.26.020 Chapter not exclusive.

This chapter is not exclusive, but any proceeding under an act or general law may be supplemented by this chapter. The words "general law" or the word "act" mean an enactment of the legislature of the state of California. Unless herein otherwise provided, any reference to any general law or act shall apply to the law or act as now or hereafter amended or codified. (Ord. 2576-98 § 1 (part)).

Section 14.26.030 Chapter superior.

The provisions of the chapter shall be controlling over the provisions of any general law or act in conflict with this chapter in any proceeding taken pursuant hereto. (Ord. 2576-98 § 1 (part)).

Section 14.26.040 Authority for adoption.

This chapter is adopted pursuant to Section 400 of Article IV of the Charter of the city of Sunnyvale. In proceedings had pursuant to this chapter which are a municipal affair, the general laws referred to herein are deemed a part of this chapter. (Ord. 2576-98 § 1 (part)).

Section 14.26.050 Severability.

In the event any portion of this chapter shall be declared illegal, unenforceable or unconstitutional, such provision shall be deemed severable from the rest of the provisions of this chapter. (Ord. 2576-98 § 1 (part)).

Section 14.26.060 Maintenance districts.

Whenever the city council determines that the costs and expenses of maintaining and operating any or all public improvements of a local nature have not been adequately financed and provided for, proceeding therefore may be undertaken pursuant to this chapter. (Ord. 2576-98 § 1 (part)).

Section 14.26.070 Council powers.

The city council may, in its resolution declaring its intention to order work done or improvements made or by separate resolution, declare its intention to order that the costs and expenses of maintaining and operating any or all public improvements of a local nature, including the cost of necessary repairs, replacements, fuel, power, electrical current, care supervision, and any and all other items necessary for the proper maintenance and operation thereof, shall be assessed, either partly or wholly, upon such district as the city council shall determine will be benefited by the maintenance and operation of the public improvements proposed to be maintained; the amounts so

assessed to be collected in the same manner and by the same officers as taxes for city purposes are collected. (Ord. 2576-98 § 1 (part)).

Section 14.26.080 Applicable general law.

When the city council has declared its intention pursuant to Section 14.26.070, the applicable provisions of Part 2 of Division 15 of the Streets and Highways Code of the state of California (Section 22500 et seq.) shall apply, excepting as modified by the following:

(a) "Maintain" or "maintenance" shall be deemed to include the maintenance of any or all public improvements of a local nature.

(b) Except for the creation of new maintenance districts or annexations to existing maintenance districts, no separate diagram shall be required in each year and it shall be sufficient to refer to the existing diagram on file with the city clerk with suitable changes upon the record, annually, to update such diagram.

(c) "Annexation" shall be deemed to include annexation of any maintenance districts existing as of the effective date of the ordinance creating this code.

(d) For purposes of the collection of assessments or any portion thereof upon the general tax roll, it shall be sufficient for the city clerk to provide to the county auditor a certified copy of the assessment roll without supplying a copy of the assessment diagram. (Ord. 2576-98 § 1 (part)).

City of Sunnyvale Downtown Parking Maintenance District

ASSESSMENT BACKGROUND Property owners within the Sunnyvale Downtown Parking Maintenance District (the “District”) receive a special and direct benefit from the existence of public parking facilities and the maintenance within the District. The majority of the properties within the District were allowed to develop without providing adequate private on-site parking.

On September 1, 1964, the City Council adopted Resolution No. 6643, which authorized the City of Sunnyvale to levy an ad-valorem assessment on all taxable properties within the boundaries of the District. This ad-valorem assessment was used to pay for the operation and maintenance of existing public parking facilities and the debt service payment associated with the acquisition and construction of various public parking facilities within the boundaries of the District. The bonds for the debt service were retired in FY 2003-2004. Property owners with a parking deficit are currently only assessed for the operation and maintenance costs of the parking lots.

On November 5, 1996, California voters approved Proposition 218, entitled “Right to Vote on Taxes Act”. Proposition 218 requires that all affected property owners be given the opportunity to vote either in favor or against the benefit assessment. Proposition 218 also requires assessments to be based on specific benefit to each property and to be supported by an engineer’s report prepared by a registered professional engineer certified by the State of California.

ASSESSMENT METHODOLOGY

As in past years, staff retained Joe Francisco of Francisco & Associates, Inc. (the “Assessment Engineer”) to assist in developing the assessment methodology. The proposed methodology for calculating the assessment is based on the parking demand the property generates, less the existing number of on-site private parking spaces that each parcel contains. Sunnyvale’s Parking Demand Guidelines are based on the City’s Zoning Code requirements. The calculation is based upon each parcel’s pro-rata share of the deficit parking spaces. This methodology is considered a fair and most equitable way to assess property owners for maintenance of the parking lots.

All parcels within the boundaries of the District are located within Benefit Zones 1, 2, 3, or 4 (see Preliminary Engineer’s Report, Appendix A). Properties located within each benefit zone are only required to pay for the operation and maintenance of the parking lots located within

their respective benefit zone. The total cost to operate and maintain the parking lots within or near each benefit zone will be spread to each parcel within that benefit zone based upon their proportionate number of deficit parking spaces.

Because of the varying size and location of parking facilities located within the District, special benefit zones were established to assess only those properties that benefit from the parking lots located within their respective benefit zone. The total cost to operate and maintain the parking facilities within each benefit zone will be spread to each parcel within that benefit zone based upon their proportionate number of deficit parking spaces.

EXISTING POLICY

Council Resolution 6643, dated September 1, 1964 authorized the City to levy an annual assessment on all lands and improvements within the District to pay debt service, operations, maintenance, and improvement costs.

Municipal Code Section 19.46.010: Areas and facilities required - Location: the owner or occupant of land or buildings used for any purpose in any zoning district, except uses within the boundaries of a parking district created by the action of the city council, shall provide off-street parking and loading areas and facilities which conform to the regulations set forth herein.