TO: HONORABLE CITY COUNCIL  
FROM: CITY MANAGER  
DEPARTMENT: PUBLIC WORKS  
DATE: JUNE 9, 2008  
CMR:259:08


RECOMMENDATION
Staff recommends that Council adopt the attached resolution (Attachment A) confirming the Engineer's Report and Assessment Roll for California Avenue District, Project No. 92-13.

BACKGROUND
By virtue of the prior establishment of the assessment district and issuance of debt, Council action is required to levy assessments for the active parking project in the California Avenue area. These assessments will be utilized for the payment of principal and interest on bonds for capital improvements pursuant to the attached resolution. These funds are separate and distinct from permit fees that are used to pay for operation and maintenance of parking facilities.

The active project is listed and described as follows:


Parking bonds issued under Bond Plan G (Section 13.16.150, Palo Alto Municipal Code) require that a public hearing be held annually (the second Monday in June) on the assessments, which must be levied to pay principal and interest on the bonds. The purpose of the public hearing is to allow each property owner the opportunity to question the computation of his/her assessment and the elements which comprise it, that is, the square footage of each occupied building, the off-street parking requirements for the usage, and the off-street parking provided. Assessments are levied on the basis of building square footage, with a credit given for the off-street parking provided by the property owner. Additional details about the Parking Assessment District-Plan G bond capital improvement program projects can be found in Attachment B.

DISCUSSION
The assessment rates for FY 2008-09 (Attachment C) per square foot of adjusted building area and the amount levied for the project are:
PROJECT ASSESSMENT RATE PER
ADJUSTED BUILDING SQUARE FOOTAGE DOLLARS
LEVIED

1. California Avenue District, Ted Thompson Parking Structure, Project 92-13
   $10.69* $ 0.060**
   Total: $123,497.76 $ 41,165.98 $164,663.74

*Rate per weighted assessment factor.
**Rate per land square footage.

Approximately $341,000 in excess construction funds in the California Avenue District bond fund for the Ted Thompson parking garage, Project 92-13, was used to reduce the tax roll required to pay off the bonds sold to finance the project. To equalize assessments, the funds were spread uniformly over the duration of the bonds (20 years) beginning with the 1996 assessments.

Attachment D lists changes made to the assessment rolls. The estimated assessments were sent to property owners within the California Avenue district on May 7, 2008. Assessments were modified due to recent changes in business site conditions (square footage, vacancy, etc.), which were brought to staff's attention by property owners since the estimated assessments were prepared.

Because the hearing itself is the legally prescribed process by which questions about the basis of assessment and the property owners' individual circumstances may be heard, it may be necessary to have a second addendum available at the Council meeting that reflects changes brought to staff's attention since the Council packet was delivered. The public hearing for the assessment district may need to be continued if last minute information brought forward by property owners cannot be verified and included in the amended rolls prior to the hearing.

RESOURCE IMPACT
The projects is funded by the assessment district and no City General Fund monies are involved. Although assessments are generally subject to Proposition 218, these particular assessments are exempt from Proposition 218 since all of the assessment proceeds are pledged to repay bond indebtedness issued prior to enactment of Proposition 218.

Parking district maintenance costs, including sweeping, landscaping, signing and lighting are paid for by parking permit fees, which were last increased in 2005 in the California Avenue Parking District. These are separate from the funds used to pay for construction of the parking garage.

POLICY IMPLICATIONS
Approval of this action does not represent any change to existing City policies.

TIMELINE
The assessments will be sent to the Santa Clara County Tax Collector in July and will appear on the October property tax bills.

ENVIRONMENTAL ASSESSMENT
Approval of assessments is exempt by from the California Environmental Quality Act (CEQA).

**ATTACHMENTS**
Attachment A: Resolution (1)
Attachment B: Capital Improvement Program Project
Attachment C: California Avenue Assessment Rates
Attachment D: California Avenue District Amendments

**PREPARED BY:**

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**DEPARTMENT HEAD:**

GLENN S. ROBERTS  
Director of Public Works

**CITY MANAGER APPROVAL:**

KELLY MORARIU / STEVE EMSLIE  
Deputy City Managers

cc: California Avenue Area Development Association  
Chamber of Commerce