Summary Title: Assessment for Cal. Ave. Area Parking Bonds

Title: Public Hearing – Assessment for California Avenue Area Parking Bonds – Plan G: FY 2011-2012; Adoption of a ResolutionConfirming Engineer's Report and Assessment Roll, California Avenue Parking Project No. 92-13 (For Fiscal Year 2011-2012)

From: City Manager

Lead Department: Public Works

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.

June 13, 2011
**Discussion**

The assessment rates for FY 2011-12 (Attachment C) per square foot of adjusted building area and the amount levied for the project is:

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>ASSESSMENT RATE PER ADJUSTED BUILDING SQUARE FOOTAGE</th>
<th>DOLLARS LEVIED</th>
</tr>
</thead>
<tbody>
<tr>
<td>California Avenue District, Ted Thompson Parking Structure, Project 92-13</td>
<td>$9.96*</td>
<td>$119,311.11</td>
</tr>
<tr>
<td>Parking Structure, Project 92-13</td>
<td>$0.058**</td>
<td>$39,770.31</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>$159,081.42</strong></td>
<td></td>
</tr>
</tbody>
</table>

*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 11, 2011. A map of the District is contained in Attachment E. 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 project is funded by the assessment district and no City General Fund monies are involved. Although assessments are generally subject to Proposition 218, this particular assessment is 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 Review
Approval of assessments is exempt by from the California Environmental Quality Act (CEQA).

Attachments:
- A - Resolution - Cal Ave Park Bonds Plan G 2 (PDF)
- B - Parking Assessment District-Plan (DOC)
- C - Assessment Rates FY 2011-2012 (PDF)
- D - Amendments (DOC)
- E - California Avenue Parking Assessment District Map (PDF)

Prepared By: Mike Nafziger, Senior Engineer
Department Head: J. Michael Sartor, Interim Director
City Manager Approval: James Keene, City Manager
RESOLUTION NO. ________

RESOLUTION OF THE COUNCIL OF THE CITY OF PALO ALTO
CONFIRMING ENGINEER’S REPORT AND ASSESSMENT ROLL

CALIFORNIA AVENUE PARKING PROJECT NO. 92-13
(For Fiscal Year 2012)

THE COUNCIL OF THE CITY OF PALO ALTO DOES RESOLVE as follows:

Section 1: After proceedings conducted pursuant to the Palo Alto Municipal Code, a public hearing has been duly held on the Engineer’s Report and assessment roll prepared for the above fiscal year to pay the principal and interest on bonds issued pursuant to Resolution of Intention No. 7930, adopted by the Council of the City of Palo Alto on August 9, 1993;

Section 2: This Council has heard all persons having an interest in any real property within the parking assessment district; has heard all objections, protests, or other written communications from any persons interested in the real property within the district; has taken and received oral and documentary evidence pertaining to the matters contained in the report; and has remedied and corrected any errors or informalities in the report and revised and corrected any of the acts or determinations of the various City officials as contained therein;

Section 3: The Engineer’s Report and assessment roll, and each of the assessments therein as fully revised and corrected, is hereby approved and confirmed and adoption of this Resolution constitutes the levy of the assessments for fiscal year 2011-12.

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Not Yet Approved

Section 4: The report together with the certificate of the City Clerk as to the fact and date of approval by this Council, shall forthwith be delivered to the County of Santa Clara, and the proper County officer shall cause to be posted to the tax rolls, in the column provided therefor the amount of each of the assessments proposed to be levied and collected for the fiscal year as set forth in the report as confirmed.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

APPROVED AS TO FORM:

Jones Hall,
A Professional Law Corporation

By: Christopher K. Lynch,
Bond Counsel

APPROVED:

Mayor

City Manager

Director of Public Works

Director of Administrative Services

Senior Asst. City Attorney
## Capital Improvement Project
**Financed by Assessment Procedures Using G-Bonds**

### California Avenue Area

<table>
<thead>
<tr>
<th>Bond Issue</th>
<th>Amount of Bond Issue</th>
<th>Purpose of Issue</th>
<th>Date Issued</th>
<th>Date of Maturity</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>California Avenue Project 92-13 (Ted Thompson Garage)</td>
<td>$2,055,000</td>
<td>Construction of a future two level parking structure on lot C-3 and the two parcels acquired by project 86-01.</td>
<td>11/93</td>
<td>09/02/2015</td>
<td>3.4% - 5.4%</td>
</tr>
</tbody>
</table>
CALIFORNIA AVENUE AREA PARKING DISTRICT
ANNUAL ASSESSMENT RATES
Project 92-13

LAND ASSESSMENT

ASSESSMENT RATE / LAND SQUARE FOOTAGE

YEAR

BUILDING ASSESSMENT

ASSESSMENT RATE / WEIGHTED ASSESSMENT FACTOR

YEAR
Attachment D

CALIFORNIA AVENUE DISTRICT AMENDMENTS

### PRELIMINARY ROLL

<table>
<thead>
<tr>
<th>Address, Parcel Number</th>
<th>Use</th>
<th>Square Feet</th>
<th>Parking Req'd</th>
<th>Parking Prov</th>
<th>Assessment 92-13</th>
</tr>
</thead>
</table>

No amendments

### AMENDED ROLL

<table>
<thead>
<tr>
<th>Address, Parcel Number</th>
<th>Use</th>
<th>Square Feet</th>
<th>Parking Req'd</th>
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No amendments