



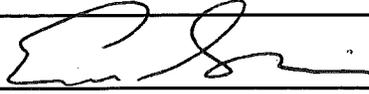
# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** David Sykes  
Hans F. Larsen

**SUBJECT:** SEE BELOW

**DATE:** 10-17-11

Approved 

Date 10/27/11

**COUNCIL DISTRICT:** 6

**SUBJECT: INTENTION TO FORM MAINTENANCE DISTRICT 24 (THE ALAMEDA)**

**RECOMMENDATION**

Adoption of a resolution of intention to form Maintenance District 24 (The Alameda) and directing the Director of Public Works to create and file an engineer's report.

**OUTCOME**

Adoption of a resolution initiates the formation process for establishing a new assessment district and satisfies the requirement to allow affected property owners the opportunity to vote on the proposed new assessment.

**BACKGROUND**

The Alameda is an important transportation corridor serving as a gateway to Downtown San Jose. As part of the Envision 2040 General Plan update process, The Alameda has been identified as one of the City's "Grand Boulevards" that contributes to the City's overall identity and is intended to have special design features than includes enhanced landscaping, lighting and other attractive design elements. The Alameda is part of a Bus Rapid Transit system project currently being developed by the Valley Transportation Authority. The Alameda is also a designated City Historic Landmark District and a Neighborhood Business District (NBD).

The Alameda Business Association, formed in 1991, is comprised of neighborhood-serving businesses dedicated to the revitalization of The Alameda NBD. In 2009, The Alameda Business Association, the Redevelopment Agency, and the City was awarded a \$250,000 Caltrans Community-Based Transportation Planning Grant to develop a future plan for The Alameda corridor titled, "The Alameda – A Plan for the Beautiful Way". In January 2010, the State of California presented The Alameda Business Association with its Governor's Historic Preservation Award to recognize the completed plan for outstanding achievement.

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**Subject: Intention to Form Maintenance District 24**

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Subsequently the City was awarded a Transportation for Livable Communities (TLC) grant in the amount of \$3,132,000 from the Metropolitan Transportation Commission (MTC) for improvements to The Alameda, consistent with the "Beautiful Way" plan. The TLC grant provides 80% of the project cost, with the remaining 20% of the project cost of \$783,000 being locally matched by the City. On August 3, 2010, the City Council approved acceptance of the grant and appropriated funds for the City's funding share.

The proposed project encompasses pedestrian-oriented improvements along The Alameda from Stockton Avenue to Fremont Street connecting key destinations like Diridon Station, downtown San José and San José State University to Santa Clara University. The project proposes design recommendations that are intended to help enliven The Alameda as a retail center and multi-modal transportation corridor. Some design elements include raised median islands with landscaping, enhanced pedestrian crosswalks with median refuges, corner and sidewalk bulb-outs, curb ramps, new pedestrian-level lighting, modifications to signalized intersections to include additional protected crosswalks, new street furniture, public art, and special elements such as gateway features. Most of the described improvements are not City standard facilities. Due to budget constraints the City requires that enhanced improvements, such as those included in the Alameda project, have a separate funding source for maintenance. The proposed assessment district would provide the required maintenance funds and allow the Alameda project to move forward.

The project is currently under design. Construction is planned to commence in July 2012 with completion during the second quarter of 2013.

### **ANALYSIS**

In preparation for this initial Council action, City staff met regularly with The Alameda Business Association, neighborhood leaders and other stakeholders. A community-based Steering Committee was formed to help guide development of the improvement project and the creation of a proposed maintenance district. In addition to these regular meetings, staff also met several times with property owners within the boundaries of the proposed district and determined that there was enough interest to move forward with the district formation. The Steering Committee conducted a petition drive and successfully received the initial support of more than 50% of the property owners based on the assessment amount they are likely to pay, which is a significantly greater percentage of initial support that the City typically requires prior to considering the formation of a maintenance district.

Staff recommends that Council initiate proceedings to form a new Maintenance Assessment District. The maintenance costs and assessment amounts will be determined prior to the next Council action. Staff also recommends that the proposed assessment include a provision for the assessment to be adjusted annually by applying the average annual change in the Consumer Price Index for the San Francisco-Oakland-San José area, in an attempt to keep pace with inflation.

State and local law require that any new assessment on property must be approved by the owners of the parcels assessed through a form of an election process called an assessment ballot proceeding whereby property owners within the district cast ballots in favor or opposed to the assessment, with votes weighed by the amount of the assessment on each parcel. The amount of the assessment by parcel will be determined in the engineer's report. The assessment can only be implemented if affected property owner ballots protesting do not outweigh the ballots cast in favor of the assessment (simple majority). In the event the ballots submitted in opposition to the assessment exceed the ballots in favor of the assessment, Council cannot impose the assessment. For maintenance districts, a four-step process is necessary for Council to complete the assessment ballot proceeding. The actions required of Council are to:

- Adopt a resolution of intention and to direct the Director of Public Works to file an engineer's report;
- Adopt a resolution preliminarily approving the engineer's report, and setting the date and time of the public meeting, public hearing and tabulation of ballots;
- Conduct a public meeting;
- Conduct a public hearing, and at the end of the hearing, tabulating the ballots.

The proposed schedule of events for imposition of a new assessment:

November 8, 2011	Adopts resolution of intention (Council)
December 13, 2011	Adopts resolution to preliminarily approve the engineer's report, set Public Meeting, Hearing, and Tabulation of Ballots (Council)
January 13, 2012	Publishes Notice of Public Meeting and Hearing (staff)
January 13, 2012	Mails Notice of Public Hearing along with property owner ballots (staff)
January 24, 2012	Conducts Public Meeting (Council)
February 28, 2012	Conducts Public Hearing and tabulate ballots (Council)

Council may, at any time during the process, withdraw its intent to form the district.

If approved:

March 14, 2012	Records Notice of Assessments with County Recorder (staff)
August 10, 2012	Delivers list of assessments to County Tax Collector (staff)

The Alameda is currently under Caltrans jurisdiction and must be relinquished to the City prior to the finalization of the district. Currently, the City is in active discussions with Caltrans regarding the relinquishment of The Alameda to the City. If the transfer of The Alameda does not occur in a timely manner as part of the streetscape project, the formation of the district and associated maintenance may be delayed.

### EVALUATION AND FOLLOW-UP

As a property owner of two parcels subject to the proposed assessment, Council must decide at the Public Hearing whether to vote favorably, negatively, or to abstain from casting a ballot. The engineer's report will determine the City's assessment and any general benefit costs to be paid by the City from the General Fund or other funds generally available to the City. If after the close of the Public Hearing, the district is approved by the property owners within the district, the assessments will be placed on the County Property Tax bills for collection.

### POLICY ALTERNATIVES

Not Applicable

### PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

While this action does not meet the \$1 million threshold under Criterion 1, this memorandum will be posted on the City's website for the November 8, 2011 Council Agenda. Community outreach included staff meeting or speaking with The Alameda Steering Committee, stakeholders, and property owners within the proposed district area. City staff is continuing to compile public comments and is available to respond to inquiries throughout the formation process.

### COORDINATION

This memorandum, related documents and resolutions were prepared in cooperation with the City Attorney's Office and the City Manager's Budget Office.

### FISCAL/POLICY ALIGNMENT

This action is consistent with the Council-approved Budget Strategy to continue to move in the general direction of setting fees and charges that recover costs of service. The overall plan to improve The Alameda NBD is consistent with the City's General Plan goals for development of

“Grand Boulevards” and with the City’s economic development strategies to “create more walkable, vibrant, mixed-use environments to spur interaction and attract talent”.

**COST IMPLICATIONS**

The formation costs are covered by funds remaining from the \$250,000 Council approved on March 17, 2009 to establish special districts if feasible around areas with existing Type 2 landscape.

**BUDGET REFERENCE**

The table below identifies the fund and appropriation used to fund the staff costs associated with the public outreach conducted to determine the feasibility and community interest of establishing special districts around areas with existing Type 2 landscape.

Fund #	Appn #	Appn. Name	RC#	Total Appn	2011-2012 Adopted Capital Budget (Page)	Last Budget Action (Date, Ord. No.)
465	7066	Maintenance Assessment District Development	159231	\$24,000	V-753	06/21/2011 Ord. No. 28928

**CEQA**

CEQA: Exempt, PP10-132

/s/

DAVID SYKES  
Director of Public Works

/s/

HANS F. LARSEN  
Director of Transportation

For questions please contact HARRY FREITAS, DEPUTY DIRECTOR, DEPARTMENT OF PUBLIC WORKS, at (408) 535-8300.

PD:tmb  
Attachment  
CMmd24ROI.doc

