



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: David Sykes
Hans F. Larsen

**SUBJECT: PROPOSED MAINTENANCE
DISTRICT 24 (THE ALAMEDA)**

DATE: November 21, 2011

Approved

Date

11/28/11

COUNCIL DISTRICT: 6

RECOMMENDATION

Adopt a resolution:

- (a) Preliminarily approving the Engineer's Report for Proposed Maintenance District 24 (The Alameda);
- (b) Setting the public meeting to be held on January 24, 2012 at 1:30 p.m.;
- (c) Setting the public hearing and tabulation of property owner ballots for February 28, 2012 at 1:30 p.m.; and
- (d) Directing that the notice of said meeting, hearing and ballots be mailed to the property owners in district.

OUTCOME

The recommended actions facilitate the creation of proposed Maintenance District 24 along The Alameda to enable the implementation and maintenance of enhanced streetscape improvements.

BACKGROUND

In 2009, The Alameda Business Association, the Redevelopment Agency, and the City were 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.

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

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provides 80 percent of the project cost, with the remaining 20 percent of the project cost of \$783,000 being locally matched by the City. On August 3, 2010, 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. The City requires, pursuant to the Median Island Landscape Program policy, 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.

On November 8, 2011, Council adopted a Resolution of Intention to form Maintenance District 24 and directed the Director of Public Works to create and file an engineer's report.

ANALYSIS

This action requests Council to preliminarily approve the Engineer's Report on file in the Clerk's Office. The report includes: the description of improvements to be maintained and the maintenance work; the budget and assessments for Fiscal Year 2012-2013; the base assessment and escalation limit; the assessment spread formula; the general benefit share; the assessment roll; and, the boundary description and the district map. The annual aggregate assessment for the district is proposed to be \$116,869 in Fiscal Year 2012-2013. The assessment is apportioned to each property based on its lot square footage and linear frontage. 50 percent of the aggregate assessment is allocated to each property based on its lot square footage in proportion to the total square footage of all properties within the district, and the remaining 50 percent of the aggregate assessment is allocated to each property based on its linear footage in proportion to the total linear frontage of all properties within the district. In summary, the residential rate for a condominium would be \$51.42 annually, and the non-residential rate is a split of \$7.46 per linear foot of frontage and \$0.028 per lot square foot. If approved, the District will utilize the Consumer Price Index for an inflationary adjustment of this new assessment amount beginning in Fiscal Year 2013-2014. As a property owner in the District, if this maintenance district is approved, the City will be assessed approximately \$2,372 annually with the potential increase previously mentioned. The City would also be required to make an annual contribution of \$3,000 to the District from the General Fund or other funds generally available to the City since the District would relieve the City from maintaining certain public facilities located within the District boundary.

The Public Meeting on January 24, 2012, and Public Hearing on February 28, 2012, will allow for public testimony to be presented to Council. The Public Meeting, as prescribed by the San

José Municipal Code, allows the public to hear about the project and provide comments, although the Council does not take action at that time. At the Public Hearing, Council must consider all objections or protests to the proposed assessment. The hearing may be continued if necessary to allow staff to respond to Council's inquiries or to implement changes proposed by Council. At the close of the Public Hearing, Council will conduct a form of an election called an assessment ballot proceeding whereby property owners within the district cast ballots in favor of or opposed to the assessment, with votes weighted by the amount of the assessment on each parcel. The assessment can only be implemented if affected property owners protesting do not outweigh the ballots cast in favor of the assessment (simple majority). If approved, the proposed assessment will commence in Fiscal Year 2012-2013 and will be adjusted annually by the Consumer Price Index. In the event the ballots submitted in opposition to the assessment exceed the ballots in favor of the assessment, Council cannot impose the assessment.

The Notice of Public Hearing is scheduled to be mailed on or before January 13, 2012, and will include the property owner ballot. The notice will inform the owners of the public meeting and hearing, the services to be provided by the district and the proposed assessment. Each completed ballot must be received by the City Clerk prior to the close of the public hearing in order to be included in the tabulation. Although this is a mailed ballot election, any property owner may submit their ballot at the hearing.

EVALUATION AND FOLLOW-UP

As a property owner subject to an assessment of approximately \$2,372, Council must decide at the February 28, 2012, Public Hearing whether to vote favorably, negatively or to abstain from casting a ballot. Additionally, general benefit costs estimated at \$3,000 must be paid by 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. Staff will bring forward appropriation and funding sources recommendations for Council approval at a later date as appropriate.

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 any of the criteria above, this memorandum will be posted on the City's website for the December 13, 2011 Council agenda. Community outreach included staff

meeting or speaking with The Alameda Steering Committee, stakeholders, and property owners within the proposed district area. Staff intends on conducting a least one community meeting prior to the Public Hearing. 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 the funds remaining from the \$250,000 Council approved on March 17, 2009, to establish special districts where feasible.

The City owns two properties within the boundaries of the proposed district. One which contains a public parking lot and the Billy DeFrank facility and a second property that also offers free public parking. Therefore, the City will be responsible for the associated assessments of approximately \$2,372 if the district is approved by the voters. This amount will increase at the same rate as the CPI in the following years. In addition, the City will collect annual assessments from property owners through the County tax bills or by City invoices however the district budget includes funding for staff administration of the district. The yearly General Fund contribution to this district will be \$3,000.

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

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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.

Attachment

