ADOPTION OF THE PARKING AUTHORITY BYLAWS, APPROVAL OF AN AGREEMENT BETWEEN THE CITY AND THE PARKING AUTHORITY, AND AMENDMENT OF RESOLUTION NO. 2013-12-17-1209

RECOMMENDATION

It is recommended that the Parking Authority approve a motion:

1. Adopting the Bylaws of the Parking Authority;
2. Approving an agreement between the Parking Authority and the City of Stockton authorizing the Parking Authority to carry out the functions and responsibilities for parking management and operations within the Downtown Parking District located in the Downtown Stockton Area; and
3. Authorizing the Executive Director of the Parking Authority to take the appropriate actions to carry out the purpose and intent of this motion.

It is recommended that the City Council approve a motion:

1. Approving an agreement between the Parking Authority and the City of Stockton authorizing the Parking Authority to perform the functions and responsibilities of parking management and operations within the Downtown Parking District located in the Downtown Stockton Area; and
2. Authorizing the City Manager to take the appropriate actions to carry out the purpose and intent of this motion.

It is further recommended that the City Council adopt a resolution:

1. Approving an amendment to the term of office for the Chairperson of the Parking Authority;
2. Approving an amendment to the annual reporting and audit requirements for the Parking Authority as established by Resolution No. 2013-12-17-1209; and
3. Authorizing the City Manager to take the appropriate actions to carry out the purpose and intent of the resolution.

Summary

In December 2013, the City Council passed Resolution No. 2013-12-17-1209 establishing the Parking Authority to oversee the operations and management of the City’s parking programs. (Attachment A - Resolution No. 2013-12-17-1209).

At this time, the Parking Authority is asked to formally adopt bylaws for the Parking Authority and
approve an Agreement with the City of Stockton to carry out the functions and responsibilities for parking management and operations within the Downtown Parking District located in the Downtown Stockton Area. (Attachment B - Parking Authority Bylaws)

Likewise, the City Council is asked to approve an agreement with the Parking Authority to carry out the functions and responsibilities for parking management and operations within the Downtown Parking District located in the Downtown Stockton Area. (Attachment C- Parking Management Agreement/Boundary Map CFD 2001-1.)

Finally, the City Council is asked to amend Sections 3 and 4 of Resolution No. 2013-12-17-1209 to adjust the term limit in Section 3 for the Chairperson of the Parking Authority so that it runs concurrent with the Mayor's term of office, since the Mayor of the City serves as the Chairperson for the Parking Authority and bring Section 4 in compliance with the City’s annual reporting and audit schedule or requirements.

DISCUSSION

Background

The City has long operated parking facilities in the Downtown Stockton Area, and in 1967 the Central Parking Assessment District ("CPD") was formed and used to acquire, construct, administer, operate, repair, and improve parking lots and structures within the district. Assessments against private properties within the district were based on assessed property values and property parking deficiencies. An Advisory Board was established to act as a liaison between the Central Parking District and the City Council. The Advisory Board makes recommendations on the rules, rates, regulations, and development plans of the Central Parking District.

The CPD assessment formula yielded a fixed amount of revenue and did not provide for growth in revenue to finance future facilities. Therefore, in 2001, by Resolution No. 01-0651 (Attachment D - Resolution No. 01-0651), the City established a Community Facilities District ("CFD") for Downtown Parking (CFD 2001-1). The CFD funds Downtown Parking facilities and services required to maintain the facilities in a safe, sanitary, and fit operating condition. Initially the CFD consisted of one parcel in the Amended West End Redevelopment Area (Central Stockton) with the intention of adding additional territory. On June 10, 2003, and December 13, 2005, additional territory was annexed to the CFD, which replaced the existing Central Parking District, and the special tax was amended.

In 2004, the Stockton Public Finance Authority issued lease revenue bonds totaling $33 million to construct the Coy and Events Center (Arena) parking structures. At that time, the sites on which the parking structures were to be erected and the Market Street Garage were used as collateral for the issuance and the City’s General Fund was pledged to support the lease payments that secured the bonds.

In Fiscal Year 2011-12, the City defaulted on the March debt service payment, and possession of the Coy, Market Street, and Arena garages was transferred to Wells Fargo Bank serving as indentured trustee to the bond insurer, National Public Finance Guaranty ("NPFG"). The City has negotiated with NPFG to regain operational control of the garages. The parties agreed that efficiency and revenue improvements were necessary, and the first step was to establish a Parking Authority.
Present Situation

Staff has begun the process of consolidating operations and transferring assets to the Parking Authority. To complete these transactions the Parking Authority must adopt the bylaws which outline the structure of the Parking Authority and appoints its officers. The bylaws state that the Parking Authority shall be administered by the Board whose members shall at all times be members of the City Council. Members of the Board do not receive compensation, and the Parking Authority meets at the same time as the City Council meetings. The bylaws define the rules of procedures for meetings, order of business, and designate officers of the Parking Authority. The City Manager shall be the Executive Director, the City’s Chief Financial Officer shall be the Treasurer, and the City Clerk shall be the Secretary of the Parking Authority. Adoption of the bylaws formalizes this structure.

The City must enter into an agreement with the Parking Authority to operate and manage the parking facilities in the Downtown Stockton area, including the operation of the City’s leased portion of the State’s EDD lot. The management agreement defines the Parking Authority’s responsibility for parking operations within the Downtown Parking District. It also outlines services to be provided by the City to the Parking Authority for management, operating, and administration, and permits the City to transfer CFD revenue to the Parking Authority. CFD revenue may be used for administrative expenses and the cost of public improvements or public services authorized by CFD 2001-1.

Finally, the City Council is asked to amend Sections 3 and 4 of Resolution No. 2013-12-17-1209 to adjust the term limit in Section 3 for the Chairperson of the Parking Authority so that it runs concurrent with the Mayor’s term of office, since the Mayor of the City serves as the Chairperson for the Parking Authority and bring Section 4 in compliance with the City’s annual reporting and audit schedule or requirements.

FINANCIAL SUMMARY

There is no financial impact associated with adoption of the bylaws.

The management agreement between the City and the Parking Authority will provide the financial and physical resources necessary to operate and manage the parking facilities. As indicated in the management agreement a new fund will be established for tracking and recording Parking Authority financial transactions, assets, and liabilities. The transfer of assets from the Central Parking District Fund of the City to the Parking Authority will be handled during the first phase of implementing the new accounting structure, to be followed by transfer of revenues and liabilities. Revenues and expenditures associated with administration, management and operation of the Downtown Parking District activities will be made part of the Parking Authority budget which will be brought to City Council at a later time. The agreement also permits the transfer of assessment revenues from the CFD 2001-1 to the Parking Authority for parking management and operating services.

Attachment A - Resolution No. 2013-12-17-1209
Attachment B - Parking Authority Bylaws
Attachment C - Parking Management Agreement/Boundary Map CFD 2001-1
Attachment D - Resolution No. 01-0651