TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER DEPARTMENT: PLANNING AND COMMUNITY ENVIRONMENT

DATE: AUGUST 9, 2004 CMR:385:04

SUBJECT: DIRECTION TO STUDY A CHARLESTON/ARASTRADERO CORRIDOR STREETSCAPE DEVELOPMENT IMPACT FEE

RECOMMENDATION
Staff recommends that Council direct staff to take the initial steps, including preparation of a nexus study, to establish a Charleston/Arastradero Corridor Streetscape Development Fee to fund bicycle, pedestrian, and landscape improvements called for in the Council-adopted Charleston/Arastradero Corridor Plan, and report back to Council regarding the feasibility of the proposed fee.

BACKGROUND
The City Council unanimously approved the Charleston/Arastradero Corridor Plan on January 20, 2004 (CMR:122:04). The Corridor Plan comprises several elements, including improved bicycle lanes, new pedestrian crossings, and landscape enhancements on each side of the corridor and at center medians provided on portions of Charleston Road and Arastradero Road. The plan was developed in anticipation of future needs with respect to bicycle, pedestrian and streetscape amenity needs associated with expected new development and redevelopment.

The Corridor Plan was adopted with Council direction that staff seek out sufficient resources to implement its provisions. In accordance with Council direction, staff subsequently applied for grants to fund substantial portions of the Corridor Plan through the Valley Transportation Authority’s (VTA) new Local Streets and County Roads (LSCR) grant program and the Metropolitan Transportation Commission’s Transportation for Livable Communities (TLC) grant program. While the City’s application for LSCR funding was deemed eligible and was placed by VTA in the top third of eligible projects, no funding is foreseen from this source for several years. No decision has yet been made with respect to the City’s TLC grant, which was submitted in July 2004. Staff continues to pursue grant funding opportunities as they arise. In all cases, external grants will require local funding as matching resources. Hence it is necessary to seek additional, non-grant generated resources to fund the Charleston/Arastradero Corridor Plan.
**DISCUSSION**
In order to finance the improvements described in the Corridor Plan, which will primarily serve the demands of new residents of the corridor, staff proposes to study the feasibility of levying a development fee on new development in the corridor. This fee, which would address localized impacts of development, rather than citywide transportation impacts, would be separate from the citywide TIF, and parcels in the corridor would also be subject to the citywide TIF. Staff requests direction from Council to explore the feasibility of and provide recommendations concerning implementation of a Charleston Arastradero Corridor Streetscape Fee. Feasibility would be explored through a study of the nexus between expected development and re-development and impacts on the cycling, pedestrian, and streetscape environment.

**POLICY IMPLICATIONS**
A proposed Charleston/Arastradero Streetscape Development Fee would carry out two of the Council’s Top 5 priorities: Long-Range Financial Planning and Alternative Transportation/Traffic Calming, and help implement both the Bicycle Transportation Plan and draft Transportation Strategic Plan. The Charleston/Arastradero Streetscape Development Fee would implement the following 1998-2010 Palo Alto Comprehensive Plan Transportation Goals:

T-1: Less Reliance on Single-Occitant Vehicles  
T-3: Facilities, Services, and Programs that Encourage and Promote Walking and Bicycling  
T-5: A Transportation System with Minimal Impacts on Residential Neighborhoods  
T-6: A High Level of Safety for Motorists, Pedestrians, and Bicyclists on Palo Alto Streets

**ENVIRONMENTAL REVIEW**
The Charleston/Arastradero Corridor Streetscape Development Fee would partially fund a set of projects from the Charleston/Arastradero Corridor Plan. The Corridor Plan was subject to a Mitigated Negative Declaration approved by City Council in a Resolution adopted on January 20, 2004 (see Attachment A). The Charleston/Arastradero Streetscape Development Fee itself would be a funding mechanism, not a project subject to environmental review.

**ATTACHMENTS**
A. Charleston/Arastradero Corridor Mitigated Negative Declaration