RECOMMENDATION
Staff recommends that the Finance Committee recommend that Council establish a policy on rent charged by the General Fund to the Refuse Fund on closed portions of the landfill whereby the Refuse Fund should pay rent at less than full market value in consideration of the fact that the landfill area cannot be readily converted to the land’s highest and best use.

BACKGROUND
On October 17, 2006, the Finance Committee considered a policy whereby the Refuse Fund pays rent on unopened portions of the landfill. The Finance Committee directed staff to investigate a possible alternative valuation of the landfill based on the availability of any appraisals performed by the Army Corps of Engineers as part of the San Francisquito Creek flood control feasibility study. Also, the Finance Committee moved to initiate a tolling agreement between the General Fund and the Refuse Fund.

DISCUSSION
As directed by the Finance Committee, staff explored a possible alternative valuation of the landfill and found that the Army Corps of Engineers has not yet performed any detailed land appraisals in Palo Alto. During a past meeting of the San Francisquito Creek Joint Powers Authority Board, there was general discussion and agreement that dedicated parkland parcels should be valued at a lower rate than unencumbered parcels due to the considerable constraints on such land. However, the Army Corps has not yet performed an appraisal nor provided any detailed land valuation as part of the San Francisquito Creek feasibility study.
ATTACHMENTS:
Attachment A: CMR 373:06, Recommendation Regarding Rent Charged by the General Fund to the Refuse Fund on Unopened Portions of Landfill