TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER

DEPARTMENT: PLANNING AND COMMUNITY ENVIRONMENT

DATE: APRIL 25, 2002

CMR:220:02

SUBJECT: TRANSPORTATION IMPACT FEE LEVEL

This is an informational report and no Council action is required.

BACKGROUND
On March 25, 2002, City Council approved the Finance Committee’s recommendation for an increase in the Transportation Impact Fee applicable to the Stanford Research Park/El Camino Real CS Zone. On the same date, City Council received a letter from Mr. Herb Borock regarding the proposed fee level. Mr. Borock also expressed his concerns on the ordinance during oral communications from the public, prior to City Council approval.

On April 3, 2002, City Council received another letter from Mr. Borock, requesting the Finance Committee reconsider the fee level. Specifically, Mr. Borock is concerned that the fee level is too low because a) the fee calculation includes the Mayfield site and b) the fee calculation includes 2475 Hanover Street. Mr. Borock also indicated a potential conflict of interest arising from Mr. Emslie’s signature on City Manager’s Reports presented to City Council and the Finance Committee on proposed changes to the impact fee. The purpose of this report is to provide information on each of Mr. Borock’s concerns.

DISCUSSION
The Mayfield site is currently zoned RM-40, which is an exempt classification under the impact fee. However, for the past two years the City has considered developing the site as a community center. A letter of intent has been executed between the City and Stanford University for this purpose. A community center is not exempt from the impact fee. Thus the Mayfield site is included in the impact fee calculation.

The project at 2475 Hanover was approved before Council consideration of a revised impact fee, as were many other projects in the Stanford Research Park/El Camino Real

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CS Zone. The fee is based on total projected development in the area as stated in the Comprehensive Plan. This is consistent with the ordinance adopted in 1984. It should be noted that the fee recommended by the Finance Committee and approved by City Council is 270 percent higher than the current fee. The new fee will apply to all nonresidential projects approved in the Stanford Research Park/El Camino Real CS Zone after May 8, 2002, as described in Chapter 16.47 of the Palo Alto Municipal Code.

Mr. Borock is correct that Mr. Emslie has a conflict of interest with respect to Stanford projects, and cannot participate in decision making involving Stanford projects. In this particular case, the information in the report came from the Chief Transportation Official and the actual staff-level decision and recommendation was made by Interim Director of Planning and Community Environment Les White. Therefore, Mr. Emslie’s signature on the report was a formality, although it would have been better had another staff member signed the report. However, Mr. Emslie has not participated nor will he participate in any decision making with respect to this project.

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