



## City of Palo Alto City Council Staff Report

(ID # 9913)

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Meeting Date: 1/22/2019

Report Type: Consent Calendar

**Title: Review and Acceptance of the Annual Status Report on Developers' Fees for Fiscal Year 2018; Adoption of a Resolution Making Findings Regarding Unexpended Stanford Research Park/El Camino Traffic Impact Fees in the Amount of \$1,376,491 and San Antonio/West Bayshore Area Traffic Impact Fees in the Amount of \$828,208**

**From: City Manager**

**Lead Department: Administrative Services**

### **RECOMMENDATION**

Staff recommends that the City Council review and accept the Annual Report on Developer Fees for the period ending June 30, 2018 (Attachment A). In addition, staff recommends that the City Council adopt the attached resolution (Attachment B) regarding the continuing need for the unexpended funds in the Stanford Research Park/El Camino Transportation Impact Fund, and San Antonio/West Bayshore Traffic Impact Fund.

### **BACKGROUND**

State law (Government Code Section 66006) requires that each local agency that imposes development impact fees prepare an annual report providing specified information about those fees. This requirement is part of the law commonly referred to as AB 1600 or the Mitigation Fee Act. It codifies the legal requirement that fees on new development must have the proper nexus to any project on which they are imposed. In addition, AB 1600 imposes certain accounting and reporting requirements with respect to the fees collected. The fees, for accounting purposes, must be segregated from the general funds of the City and from other funds or accounts containing fees collected for other improvements. Interest on each development fee fund or account must be credited to that fund or account and used only for the purposes for which the fees were collected.

Government Code Section 66006 contains comprehensive annual reporting requirements for development impact fees. This statute requires that, within 180 days after the close of the fiscal year, the agency that collected the fees must make available to the public the following information regarding each fund or account:

- Brief description of the type of fee in the fund.

- Amount of the fee.
- Beginning and ending balance in the fund.
- Amount of fees collected and interest earned.
- Identification of each public improvement on which fees were expended and the amount of the expenditure on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.
- Identification of an approximate date by which the construction of a public improvement will commence, if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement.
- Description of each interfund transfer or loan made from the account or fund, including the public improvement on which the loaned funds will be expended, and in the case of an interfund loan, the date on which the loan will be repaid and the rate of interest that the account or fund will receive on the loan.
- Amount of any refunds made due to inability to expend fees within the required time frame.

This report must also be reviewed by the City Council at a regularly scheduled public meeting not less than 15 days after the information is made available to the public. In addition, notice of the time and place of the meeting shall be mailed at least 15 days prior to the meeting to any interested party who files a written request with the local agency for such a mailed notice. An early packet consisting of Exhibit A only was made available to the public and included in the packet for the December 3, 2018 meeting of the City Council.

The law also provides that, for the fifth fiscal year following the first deposit into the fund and every five years thereafter, the local agency shall make findings with respect to any portion of the fee remaining unexpended, whether committed or uncommitted. The finding must:

- identify the purpose to which the fee is to be put;
- demonstrate a nexus between the fee and the purpose for which it was originally charged; and
- identify all sources and amounts of funding anticipated to complete financing of incomplete improvements along with the approximate dates on which the anticipated funding is expected to be deposited into the fund.

If the agency no longer needs the funds for the purposes collected, or if the agency fails to make required findings, or to perform certain administrative tasks prescribed by AB 1600, the

agency may be required to refund to property owners a prorated portion of the monies collected for that project and any interest earned on those funds.

## **DISCUSSION**

The City of Palo Alto development fees covered by AB 1600, and documented in Attachment A, include the following:

- Stanford Research Park/El Camino Real traffic impact fees (PAMC Ch. 16.45): Fee for new nonresidential development in the Stanford Research Park/El Camino Real Service Commercial zone, to fund capacity improvements at eight intersections.
- San Antonio/West Bayshore Area traffic impact fees (PAMC Ch. 16.46): Fee for new nonresidential development in the San Antonio/West Bayshore area to fund capacity improvements at four intersections.
- Housing impact fees imposed on commercial developments (PAMC Ch. 16.47): Fee on commercial and industrial development to contribute to programs that increase the City's low income and moderate-income housing stock.
- Parks, Community Centers, and Libraries impact fees (PAMC Ch. 16.58): Fee on new residential and non-residential development to provide community facility funds for parks, community centers, and libraries.
- Charleston-Arastradero Corridor pedestrian and bicyclist safety fees (PAMC Ch. 16.59): Fee on new development and re-development within the Charleston-Arastradero Corridor to provide for pedestrian and bicyclist improvements.
- Citywide Transportation impact fees (PAMC Ch 16.59): Fee on development in all parts of the City to fund transportation projects and programs to reduce congestion.
- Public Safety facilities (PAMH Ch. 16.58): Fee on residential and non-residential development to fund police and fire facilities, including fire apparatus and vehicles.
- General Government facilities (PAMH Ch. 16.58): Fee on residential and non-residential development to fund facilities associated with municipal administration.

AB 1600 requires the City to make specified findings in the event any funds are not expended within five fiscal years of collection and every five years thereafter. While there are several funds containing collected fees that have not been expended in five or more years, the required statutory carryover findings have been made for those funds in recent years and no further findings are required at this time.

There are two funds that require statutory findings this year. (These proposed findings are contained in Attachment B.) The Stanford Research Park/El Camino Fund has an unexpended balance of \$1,376,491 that was collected in fiscal year 2013 and prior. The San Antonio/West Bayshore Fund has an unexpended balance of \$828,208 that was collected in fiscal year 2013 and prior.

#### **RESOURCE IMPACT**

If the council does not make the findings contained in Attachment B, the development fees described therein might be required to be refunded. This would have fiscal impact of \$2,204,699.

#### **Attachments:**

- Attachment A: Annual Report on Development Impact Fees for FY2018
- Attachment B: Resolution Adopting Findings with Respect to Unspent Impact Fees

## Attachment A

### City of Palo Alto Annual Report on Development Impact Fees for Period Ending June 30, 2018

FUND	Stanford Research Park/ El Camino Fund	San Antonio/West Bayshore Fund
Purpose and Authority for Collection	Traffic impact fees imposed on new nonresidential development in the Stanford Research Park/El Camino Real CS zone to fund improvements at eight identified intersections. PAMC Ch. 16.45	Traffic impact fees imposed on new nonresidential development in the San Antonio/West Bayshore Areas to fund capacity improvements at four identified intersections. PAMC Ch. 16.46
Amount of the Fee	\$12.42 per square foot	\$2.55 per square foot
<b>Fund Balance July 1, 2017</b>	<b>\$3,273,857</b>	<b>\$890,209</b>
<b><u>Activity in 2017-18</u></b>		
Revenues		
Fees Collected	1,217	12,546
Interest Earnings	64,659	18,539
Unrealized Gain/Loss Investments	(51,018)	(17,078)
<b>Total Revenues</b>	<b>\$14,858</b>	<b>\$14,007</b>
Expenditures		
Inter-agency expenses	(1,000,000)	0
<b>Total Expenditures</b>	<b>(1,000,000)</b>	<b>0</b>
<b>Ending Balance June 30, 2018</b>	<b>\$2,288,715</b>	<b>\$904,216</b>
<b>Net Funds Available</b>	<b>\$2,288,715</b>	<b>\$904,216</b>
<b>Unexpended balance at next finding date (FY 2017-18)</b>	<b>\$1,376,491</b>	<b>\$828,208</b>
	<b>USE OF FEES:</b>  Expenditure in FY 2018 include \$1M to County of Santa Clara for support of intersection improvements at Page Mill Road/Hanover and Page Mill Road/Hansen concurrent with construction of the project at 1050 Page Mill Road.  <b>FUTURE USE OF FEES:</b> \$2.2M budgeted in FY19 to County of Santa Clara for support of intersection improvements at Page Mill Road/Hanover and Page Mill Road/Hansen concurrent with construction of the project at 1050 Page Mill Road	<b>USE OF FEES:</b>  No expenditures have been made from this fund in Fiscal Year 2018.  <b>FUTURE USE OF FEES:</b> \$0.9M budgeted in FY19 to CIP Project PE-86070, resurfacing, slurry seal, crack seals, and road reconstruction.

# Attachment A

## City of Palo Alto Annual Report on Development Impact Fees for Period Ending June 30, 2018

FUND	Commercial Housing Fund	University Avenue Parking In-Lieu Fund
Purpose and Authority for Collection	Fees imposed on large commercial and industrial development to contribute to programs that increase the City's low income and moderate-income housing stock. PAMC Ch.16.47	Fees collected from non-residential development within the University Ave. Parking Assessment District in lieu of providing the required number of parking spaces. PAMC Ch 16.57
Amount of the Fee	\$20.37 per square foot	\$67,730 per space
<b>Fund Balance July 1, 2017</b>	<b>\$19,277,863</b>	<b>\$3,562,575</b>
<b><u>Activity in 2017-18</u></b>		
Revenues		
Fees Collected	275,001	1,894,981
Interest Earnings	160,749	107,699
Unrealized Gain/Loss Investments	(181,187)	(89,134)
<b>Total Revenues</b>	<b>254,563</b>	<b>1,913,545</b>
Expenditures		
Salaries and Benefit	(23,188)	
Other Contract Services	(10,102)	
Liability Insurance	(35)	
<b>Total Expenditures</b>	<b>(33,325)</b>	<b>0</b>
<b>Ending Balance June 30, 2018</b>	<b>\$19,499,101</b>	<b>\$5,476,120</b>
Other Commitments/Appropriations Reserve for Notes Receivable include:\$1,290,000 for 2811 Alma, and \$4,137,254 for 801 Alma, \$7,700,000 for Bueva Vista Mobile Home Park.	(13,127,254)	
Reserve for Encumbrance	(8,975)	
<b>Net Funds Available</b>	<b>\$6,362,872</b>	<b>\$5,476,120</b>
<b>Unexpended balance at next finding date (FY 2017-18)</b>	<b>0</b>	<b>\$0</b>
	<b>USE OF FEES:</b> Expenditures in Fiscal Year 2018 are for \$23.0K for 0.15 FTE of Senior (Housing) Planner and 0.01 FTE Management Analyst salaries and benefits, \$10.1K for consultancy fees. The additional \$7.7M Reserve for Notes Receivable is a loan to Santa Clara County Housing Authority (SCCHA) for the purchase of Buena Vista Mobile Home Park.	<b>USE OF FEES:</b> No expenditures have been made from this fund in Fiscal Year 2018.  <b>FUTURE USE OF FEES:</b> \$5.5M budgeted to be used for the New Downtown Parking Garage (PE-15007) in FY 2019

# Attachment A

## City of Palo Alto Annual Report on Development Impact Fees for Period Ending June 30, 2018

FUND	Residential & Non-Residential Community Facilities Parks	Residential & Non-Residential Community Facilities Community Centers
Purpose and Authority for Collection	Fees imposed on new residential and non-residential development approved  after Jan 28, 2002 for Parks. PAMC Ch. 16.58	Fees imposed on new residential and non-residential development approved  after Jan 28, 2002 for Community Centers. PAMC Ch. 16.58
Amount of the Fee	Residential: Single family \$11,917 per residence (or \$17,795 per residence larger than 3,000 sq ft); Multi-family \$7,801 per unit (or \$3,944 per unit smaller than or equal to 900 sq ft) Nonresidential: Commercial/Industrial \$5,061 per 1,000 sq ft or fraction thereof; Hotel/Motel \$2,288 per 1,000 sq ft or fraction thereof.	Residential: Single family \$3,089 per residence (or \$4,626 per residence larger than 3,000 sq ft); Multi-family \$2,033 per unit (or \$1,026 per unit smaller than or equal to 900 sq ft) Nonresidential: Commercial/Industrial \$286 per 1,000 sq ft or fraction thereof; Hotel/Motel \$129 per 1,000 sq ft or fraction thereof.
<b>Fund Balance July 1, 2017</b>	<b>\$4,446,289</b>	<b>\$5,869,478</b>
<b><u>Activity in 2017-18</u></b>		
Revenues		
Fees Collected	331,880	93,461
Interest Earnings	91,453	114,687
Unrealized Gain/Loss	(86,316)	(84,642)
<b>Total Revenues</b>	<b>\$337,017</b>	<b>\$123,506</b>
Inter-Agency Expenses		(2,500,000)
Operating Transfer to Capital Projects Fund	(250,000)	0
<b>Total Expenditures</b>	<b>(250,000)</b>	<b>(2,500,000)</b>
<b>Ending Balance June 30, 2018</b>	<b>\$4,533,306</b>	<b>\$3,492,984</b>
<b>Net Funds Available</b>	<b>\$4,533,306</b>	<b>\$3,492,984</b>
<b>Unexpended balance at next finding date (FY 2021-2022)</b>	<b>4,196,289</b>	<b>\$3,369,479</b>

## Attachment A

### City of Palo Alto Annual Report on Development Impact Fees for Period Ending June 30, 2018

<p><b>USE OF FEES:</b></p> <p>Budget transfers in FY 2018 were made to Capital Project fund in the amount of \$150K for Dog Park Installation (PG-18001) and \$100K for Turf Management Plan (PG-18002).</p> <p><b>FUTURE USE OF FEES:</b></p> <p>Budget transfers in FY 2019 budgeted to Capital Project fund in the amount of \$100K for Baylands Athletic Center 10.5 Acre Expansion Plan (PG-19001) and \$350K for Park Restroom Installation (PG-19000).</p>	<p><b>USE OF FEES:</b></p> <p>Expenditure in Fiscal Year 2018 is payment of \$2.5M to Avenida. This is a grant funding to make necessary seismic and other improvements to the existing building at 450 Bryant Street, Palo Alto, CA.</p> <p><b>FUTURE USE OF FEES:</b> \$1M budgeted to CIP Project AC-18001 in FY19 for JMZ renovation</p>
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# Attachment A

## City of Palo Alto Annual Report on Development Impact Fees for Period Ending June 30, 2018

FUND	Residential & Non-Residential Community Facilities Libraries	Residential Housing In-Lieu Fund
Purpose and Authority for Collection	Fees imposed on new residential and non-residential development approved after Jan 28, 2002 for Libraries. PAMC Ch. 16.58	Fees collected from residential developments of three or more units in lieu of providing the required below-market rate unit(s) to low and moderate income households. PA Comprehensive Plan and PAMC Chapter 18
Amount of the Fee	Residential: Single family \$1,079 per residence (or \$1,606 per residence larger than 3,000 sq ft); Multi-family \$645 per unit (or \$355 per unit smaller than or equal to 900 sq ft) Nonresidential: Commercial/industrial \$272 per 1,000 sq ft or fraction thereof; Hotel/Motel \$114 per 1,000 sq ft or fraction thereof.	Varies
<b>Fund Balance July 1, 2017</b>	<b>\$1,005,487</b>	<b>\$22,696,317</b>
<b><u>Activity in 2017-18</u></b>		
Revenues		
Fees Collected	35,996	869,530
Webster Wood Property Rental		5,850
Interest Earnings	20,959	280,715
Unrealized Gain/Loss Investments	(19,595)	(194,174)
<b>Total Revenues</b>	<b>\$37,360</b>	<b>\$961,921</b>
Expenditures		
Salaries and Benefits		(23,188)
Contract Services		(159,784)
Liability Insurance		(34)
Total Expenditures	0	(183,006)
<b>Ending Balance June 30, 2018</b>	<b>\$1,042,847</b>	<b>\$23,475,232</b>
Other Commitments/Appropriations		
Reserve for Reappropriations		(310,477)
Reserve for Encumbrances		(34,023)
Reserve for Notes Receivable include \$375,000 for 3053 Emerson, \$3,804,850 for Tree House Apts, \$747,734 for Sheridan Apts., \$2,285,026 for 801 Alma, \$923,372 for Palo Alto Housing Project, \$600,000 for 2811-2825 Alma St., \$203,561 for Colorado Park Housing, \$64,523 for El Dorado Palace, and \$6,800,000 for Buena Vista Mobile Home Park.		(15,804,066)
<b>Net Funds Available</b>	<b>\$1,042,847</b>	<b>\$7,326,666</b>

**Attachment A**

**City of Palo Alto  
Annual Report on Development Impact Fees  
for Period Ending June 30, 2018**

Unexpended balance at next finding date (FY 2021-2022 Residential & Non Residential Housing Communities Facilities Libraries, FY2017-18- Residential Housing In-Lieu)		\$1,005,487	\$0
USE OF FEES:		USE OF FEES:	
No expenditure of funds have been made from this Fund in Fiscal Year 2018.		Expenditures in Fiscal Year 2018 include \$23.2K for 0.15 FTE Senior (Housing) Planner and 0.01 FTE Management Analyst salaries and benefits, \$140K to Palo Alto Housing Corp for BMR admin fees and \$20K for consultancy fees. The additional \$6.8M Reserve for Notes Receivable is loan to Santa Clara County Housing Authority (SCCHA) for the purchase of Buena Vista Mobile Home Park.	

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## City of Palo Alto Annual Report on Development Impact Fees for Period Ending June 30, 2018

FUND	Charleston-Arastradero Corridor Pedestrian and Bicyclist Safety	Citywide Transportation
Purpose and Authority for Collection	Fees collected from new development and re-development within the Charleston-  Arastradero Corridor to provide for pedest- rian and bicyclist safety improvements. PAMC Ch. 16.60	Transportation impact fees imposed on new development in all parts of the  City to fund congestion reduction projects. PAMC Ch. 16.59
Amount of the Fee	Residential: \$1,306 per residential unit; Commercial: \$0.38 per sq ft	\$3,575 per net new PM peak hour trip
<b>Fund Balance July 1, 2017</b>	<b>\$8,862</b>	<b>\$2,967,955</b>
<b>Activity in 2017-18</b>		
Revenues		
Fees Collected	11,614	238,810
Interest Earnings	241	48,479
Unrealized Gain/Loss	(160)	(43,412)
<b>Total Revenues</b>	<b>\$11,695</b>	<b>\$243,877</b>
Expenditures		
Operating Transfer to Capital Projects Fund	(12,000)	(1,378,361)
Total Expenditures	(12,000)	(1,378,361)
<b>Ending Balance June 30, 2018</b>	<b>\$8,557</b>	<b>\$1,833,471</b>
<b>Net Funds Available</b>	<b>\$8,557</b>	<b>\$1,833,471</b>
<b>Unexpended balance at next finding date (FY2017-18-Charleston- Arastradero, FY2017-18 Citywide Transportation)</b>	<b>\$0</b>	<b>\$0</b>
	<b>USE OF FEES:</b>	<b>USE OF FEES:</b>
	Budget transfer of \$12K was made to Capital Project Fund in FY2018 for Charleston Arastradero Corridor Improvements Project (PE-13011)	Budget transfers to Capital Project Fund in Fiscal Year 2018 in the amount of \$1M for Churchill Avenue Enhanced Bikeway (PL- 14000) and \$378K for Traffic Signal and Intelligent Transportation System (PL- 05030)
		<b>FUTURE USE OF FUNDS:</b>
		\$506K Budgeted to the Capital Project Fund in FY 2019 for Traffic Signal and Intelligent Transportation Systems Upgrade (PL-05030)

## Attachment A

### City of Palo Alto Annual Report on Development Impact Fees for Period Ending June 30, 2018

FUND	New Public Safety Facilities	General Government Facilities
Purpose and Authority for Collection	Fees imposed on residential and non-residential development to fund police and fire facilities (including fire apparatus and vehicles) PAMC Ch. 16.58	Fees imposed on residential and non-residential development to fund facilities associated with municipal administration. PAMH Ch. 16.58
Amount of the Fee	Residential: Single family \$1,036 per unit; Multi-family \$829 per unit Nonresidential: Commercial \$579 per 1,000 sq ft. or fraction thereof; Industrial \$193 per 1,000 sq. ft. or fraction thereof; Hotel/Motel \$772 per 1,000 sq ft or fraction thereof.	Residential: Single family \$1,305 per unit; Multi-family \$1,044 per unit  Nonresidential: Commercial \$729 per 1,000 sq ft. or fraction thereof; Industrial \$243 per 1,000 sq. ft. or fraction thereof; Hotel/Motel \$974 per 1,000 sq ft or fraction thereof.
<b>Fund Balance July 1, 2017</b>	<b>\$87,160</b>	<b>\$109,820</b>
<b><u>Activity in 2017-18</u></b>		
Revenues		
Fees Collected	59,841	75,406
Interest Earnings	2,237	2,818
Unrealized Gain/Loss	(2,459)	(3,098)
<b>Total Revenues</b>	<b>\$59,619</b>	<b>\$75,126</b>
Total Expenditures	0	0
<b>Ending Balance June 30, 2018</b>	<b>\$146,779</b>	<b>\$184,946</b>
<b>Net Funds Available</b>	<b>\$146,779</b>	<b>\$184,946</b>
<b>Unexpended balance at next finding date FY 2019-20</b>	<b>\$1,596</b>	<b>\$2,011</b>
	<b>USE OF FEES:</b>	<b>USE OF FEES:</b>
	No expenditure of funds have been made from this Fund in Fiscal Year 2018.	No expenditure of funds have been made from this Fund in Fiscal Year 2018.

# Attachment A

## City of Palo Alto Annual Report on Development Impact Fees for Period Ending June 30, 2018

(INFORMATION ONLY)		
FUND	Public Art Fund	Parkland Dedication
Purpose and Authority for collection	Fees imposed on new commercial developments (including mixed use projects), including new construction, remodels, additions and reconstruction that (i) have a floor area of 10,000 sq. ft. or more, and (ii) have a construction value of \$200,000, or more, exclusive of costs for architecture, design, engineering, and required studies; and all new residential projects of five or more units to fund public art for private developments. PAMC Ch. 16.61	Fees on parkland dedication imposed on new residential and non-residential development. Govt Code Sec. 66477 (Quimby Act)
Amount of the Fee	1% of first \$109.36 million construction valuation and .9% of construction valuation for valuation in excess of \$109.36 million	Single Family: \$60,474 per unit; Multi-Family: \$41,683 per unit. This applies only to residential projects that require a subdivision or parcel map. Land dedication is required for subdivisions resulting in more than 50 parcels. Parkland Dedication Fee - Land: Single Family: 531 sq. ft. per unit; Multi-Family: 366 sq. ft. per unit. When parkland dedication applies, park impact fees do not apply.
<b>Fund Balance July 1, 2017</b>	<b>\$550,763</b>	<b>\$3,331,902</b>
<b><u>Activity in 2017-18</u></b>		
Revenues		
Fees Collected	211,268	699,069
Interest Earnings	11,548	70,240
Unrealized Gain/Loss Investments	(11,869)	(66,902)
Operating Transfer from General Fund	154,824	
<b>Total Revenues</b>	<b>\$365,771</b>	<b>\$702,407</b>
Expenditures		
Salaries and benefits	(186,214)	
Liability Insurance	(1,127)	
Transfer to Capital Projects Fund		(400,000)
<b>Total Expenditures</b>	<b>(187,341)</b>	<b>(400,000)</b>
<b>Ending Balance June 30, 2018</b>	<b>\$729,193</b>	<b>\$3,634,309</b>
<b>Net Funds Available</b>	<b>\$729,193</b>	<b>\$3,634,309</b>
<div> <div>This fund is not subject to AB1600 requirements and is listed only for information purposes.</div> <div>This fund is not subject to AB1600 requirements and is listed only for information purposes.</div> </div>		

## Attachment A

### City of Palo Alto Annual Report on Development Impact Fees for Period Ending June 30, 2018

(INFORMATION ONLY)		
FUND	Water and Wastewater Collection	
Purpose and Authority for Collection	<p>Capacity fees charged to developers that are adding load to the water and sewer systems effective July 1, 2005.</p> <p>California Government Code Sect 66000</p>	
Amount of the Fee	<p>Water Capacity Fees: 5/8 in., 3/4 in E-Meter. \$5,000, 1 in. E-Meter \$9,400, 1 1/2 in. E-Meter \$18,850, 2 in. E-Meter \$56,250 , 4 in. Compound Meter by est. \$125/FU (min. 5,000 FU) , 6 in. Compound Meter by est. \$125/FU (min. 7,000 FU)</p> <p>Fire Service Capacity Fees: 2 in. \$750, 4 in. \$9,000, 6 in. \$22,530, 8 in. \$43,080, 10in. \$69,510</p> <p>Sewer Capacity Charges: 4 in. connection with 5/8 in Water Meter (WM) \$5,250, 4 in connection. with 1-in WM \$15,750, 4 or 6 in. connection with 1-1/2 in WM \$31,668, 6 in. connection with 2 in. WM \$94,500, 6 in. and larger connection with 4 in. or larger WM by est. at \$210/FU</p>	
<b>Activity in 2017-18</b>		
Capacity Fees Collected		
Water		\$531,348
Wastewater Collection		<u>328,545</u>
<b>Total</b>		
<b>USE OF FEES:</b>		
<div style="border: 1px solid black; padding: 5px; width: fit-content;"> The fees are used exclusively for water and sewer system improvements </div>		

Attachment B

Resolution No. \_\_\_\_\_

Resolution of the Council of the City of Palo Alto Making Findings  
Regarding Continuing Need for Unexpended Stanford Research Park/El  
Camino Transportation Impact Fees in the Amount of \$1,376,491;  
and San Antonio/West Bayshore Area Traffic Impact Fees in the Amount  
of \$828,208.

R E C I T A L S

A. Government Code Section 66001(d) requires the City to make certain findings with respect to development impact fees collected which remain unexpended or uncommitted five or more fiscal years after deposit of such fees; and

B. As authorized under Chapter 16.45 of the Palo Alto Municipal Code, the City has collected a development fee known as the “Stanford Research Park/El Camino Transportation Impact Fee” for the purpose of funding capacity improvements at the intersections identified in that Chapter; and

C. The sum of \$1,376,491 represents fees collected pursuant to Chapter 16.58 that remain unexpended five or more years after deposit of the fees, together with accrued interest thereon (“unexpended Stanford Research Park/El Camino TIF funds”); and

D. As authorized under Chapter 16.46 of the Palo Alto Municipal Code, the City has collected a development fee known as the “San Antonio/West Bayshore Traffic Impact Fee” for the purpose of funding capital expenditures needed to provide operational improvements at certain intersections identified in that Chapter; and

E. The sum of \$828,208 represents fees collected pursuant to Chapter 16.46 that remain unexpended five or more years after deposit of the fees, together with accrued interest thereon (“the unexpended San Antonio/West Bayshore TIF funds”);

The Council of the City of Palo Alto RESOLVES as follows:

SECTION 1. The Council makes the following findings:

Stanford Research Park/El Camino TIF funds

1. The unexpended Stanford Research Park/El Camino TIF funds were collected pursuant to Chapter 16.45 of the Palo Alto Municipal Code, to be used for the purpose of funding capacity improvements at the intersections identified in that Chapter.

2. The unexpended Stanford Research Park/El Camino TIF funds in the amount of \$1,376,491 are intended to be used to fund improvements in conjunction with Santa Clara County at the intersections of Page Mill Road/Hanover Street and Page Mill Road/El Camino Real, as described in the Page Mill Road Expressway Corridor Study Report. The improvements include additional and/or longer left turn lanes, modifications to enhance

## Attachment B

bicycle and pedestrian accommodations through the intersections, Class II bicycle lanes and Class I shared-use path at Hanover Street approaches to the intersection and a 8-phase signal conversion for the Hanover intersection.

3. The City has committed to contributing \$3.2 million to fund these improvements. These funds have not been expended to date to allow for coordination with Santa Clara County, and will be expended upon receipt of an invoice from the County.

4. The need for the improvements for which the Stanford Research Park/El Camino TIF funds were collected was identified in an Environmental Impact Report ("EIR") certified by the City Council in conjunction with the City's 1998-2010 Comprehensive Plan; the need for the retention of these funds was identified in the 2015 Page Mill Road Expressway Corridor Study Report commissioned by Santa Clara County.

5. The unexpended Stanford Research Park/El Camino TIF funds continue to be required in order to fund the improvements specified in Chapter 16.45 and in this resolution.

6. Based on the foregoing, a continuing need for the unexpended Stanford Research Park/El Camino TIF funds has been demonstrated.

### San Antonio/West Bayshore TIF funds

7. The unexpended San Antonio/West Bayshore TIF funds were collected pursuant to Chapter 16.46 of the Palo Alto Municipal Code, to be used solely for the purpose of funding capital expenditures needed to provide operational improvements at certain intersections identified in that Chapter.

8. The City plans to spend the unexpended San Antonio/West Bayshore TIF funds in the amount of \$828,208 to fund resurfacing of the San Antonio Road/Highway 101 overpass and improvements at the intersection of San Antonio Road and East Charleston Road to increase pedestrian safety and vehicular capacity. Updated estimates for this work total in excess of \$1.75 million.

9. These funds have not been expended to date because the City is continuing to refine the planned intersection improvements. A transfer of funds for the San Antonio Road/Highway 101 overpass is anticipated in FY 2019 or FY 2020.

10. The need for the improvements for which the unexpended San Antonio/West Bayshore TIF funds were collected was identified in the San Antonio/West Bayshore EIR.

11. The unexpended San Antonio/West Bayshore TIF funds continue to be required in order to fund the improvements specified in Chapter 16.46 and in this resolution.



Attachment B

12. Based on the foregoing, a continuing need for the unexpended San Antonio/West Bayshore TIF funds has been demonstrated.

SECTION 2. The Council finds that this is not a project under the California Environmental Quality Act and, therefore, no environmental impact assessment is necessary.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED:

\_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
Deputy City Attorney

\_\_\_\_\_  
City Manager

\_\_\_\_\_  
Director of Administrative Services

\_\_\_\_\_  
Director of Planning and Community  
Environment