



City of Palo Alto

MEMORANDUM

To: City Council

Date: June 20, 2022

SUBJECT: Agenda Item #28: Replacement of Attachment A, Exhibit 6: Fiscal Year 2023 Municipal Fee Changes

Staff would like to provide the City Council with a replacement Attachment A, Exhibit 6: Fiscal Year 2023 Municipal Fee Changes to clarify the changes to various Impact Fees. In addition, the Resource Impact section of the memorandum needs to be updated to clarify adjustments to the General Fund Budget Stabilization Reserve.

Municipal Fee Schedule Amendments for FY 2023 Changed Fees

As part of the presentation to the Finance Committee on May 11, Staff presented [CMR 14111](#) with recommended changes to the Municipal Fee Schedule. The attachment to this memorandum outlined recommended changes for new fees to be added, fees that were recommended to be deleted, and fees that were recommended to change by a rate other than the 4.6 percent general rate of increase from FY 2022 to FY 2023.

A particular group of fees outlined in the attachment to CMR 14111, the Impact Fees, included the descriptive text “Finance Committee recommendation to Council on May 3, 2022 to determine appropriate method to update the fees.”

On June 13, 2022, Council directed changes to those impact fees through discussion of [CMR 14074](#). The replacement Attachment A, Exhibit 6 included in this At-Places updates the changes of the park, library, and community center impact fees to “8.1%, Construction Cost Index”. The use of the construction cost index as the annual year-over-year increase is pursuant to Palo Alto Municipal Code section 16.58.090. As discussed with the City Council on June 13, additional Council directed changes to these impact fees are scheduled to be implemented in FY 2022-2023 and staff will return to the City Council with those updates.

The replacement Attachment A, Exhibit 6 included in this At-Places memo also aligns with the information provided in the body of the FY 2023 Budget Adoption Memorandum ([CMR 14352](#)).

Resource Impact – General Fund Budget Stabilization Reserve

The General Fund Budget Stabilization Reserve (BSR) is recommended to be at \$45.7 million as a result of actions recommended in [CMR 14352](#). This is stated in the Budget Stabilization Reserve section of the memorandum on pages 5 and 6 (packet pages 506 and 561). This explanation was not updated in the Resource Impact section of the memorandum on page 14 (packet page 569). Instead of the BSR being at

\$45.4 million as stated in the Resource Impact Section of the memorandum, that section should say that amendments outlined in the report reduce the projected FY 2023 BSR levels by \$21,000, from \$45.8 million to \$45.7 million. At revised expense levels of \$247.2 million, the BSR level is at the 18.5 percent target. Once adjusted for reserves, the BSR level is higher than the 18.5 percent target by \$715,000, at 18.8 percent. These funds may be allocated at the discretion of the City Council and remain within the 15 to 20 percent range outlined in the City's BSR policy. All other fund balance impacts to other Citywide funds are displayed appropriately in the table in the Resource Impact section.

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Kiely S. Nose
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Kiely Nose
Director of Administrative Services

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Ed Shikada
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Ed Shikada
City Manager

Administrative Services

Fee Title	FY 2022 Adopted	FY 2023 Proposed	% Change	Justification
Budget Book	\$35.00 each	\$40.00 each	14.3%	Fees aligned to cover minimum material and staffing costs

Community Services Department

Fee Title	FY 2022 Adopted	FY 2023 Proposed	% Change	Justification
Auditorium and Stage	Resident Fee: \$250.00 per hour; Non-Resident Fee: \$375.00 per hour	Resident Fee: \$270.00 per hour; Non-Resident Fee: \$405.00 per hour	8.0%	Align fee to actual costs
Field Trips	\$152.00 per group	\$200.00 per group	31.0%	
Palo Alto Junior Museum & Zoo Attendant	Regular time: \$34.00 per hour; Overtime & Holiday: \$51.00 per hour	Regular time: \$44.00 per hour; Overtime & Holiday: \$66.00 per hour	29.4%	
Tennis Courts (USTA and Palo Alto Tennis Club Only)	Resident Fee: \$7.00 per hour; Non-Resident Fee: \$9.00 per hour	Resident Fee: \$8.00 per hour; Non-Resident Fee: \$10.00 per hour	12.7%	
Rehearsal Hall	Resident Fee: \$50.00 per hour; Non-Resident Fee: \$75.00 per hour	Resident Fee: \$54.00 per hour; Non-Resident Fee: \$81.00 per hour	8.0%	
Peers Park, Mitchell Park Field House)	\$28.00 per hour	Resident Fee: \$174.00 per day; Non-Resident Fee: \$235.00 per day	-	Fee structure change from hourly to daily

Fire

Fee Title	FY 2022 Adopted	FY 2023 Proposed	% Change	Justification
Paramedic Internship Fee	\$1,394.00 each	\$1,000 each	-28.3%	Fee set low to keep competitive with other agencies

Office of Transportation (OOT)

Fee Title	FY 2022 Adopted	FY 2023 Proposed	% Change	Justification
All Downtown and SOFA Lots and Garages Annual Parking Permit	\$806.00 per year	\$900.00 per year	11.7%	FY 2023 Pricing based on CMR#11795
California Avenue Area All Garages and Lots Annual Parking Permit	\$403.00 per year	\$650.00 per year	39.0%	
Downtown RPP - Annual Resident Parking Permit	\$50.00 per year	\$50.00 per year	-	
Downtown RPP - Reduced-Price Employee Parking Permit	\$50.00 per six months	\$131.25 per six months	162.5%	
Downtown RPP Full Price Employee Parking Permit	\$403.00 per six months	\$525.00 per six months	30.3%	
Evergreen Park - Mayfield RPP Annual Resident Parking Permit	\$50.00 per year	\$50.00 per year	-	
Evergreen Park - Mayfield RPP Full Price Employee Parking Permit	\$201.50 per six months	\$375.00 per six months	86.1%	
Evergreen Park - Mayfield RPP Reduced-Price Employee Parking Permit	\$25.00 per six months	\$93.75 per six months	275.0%	
Southgate RPP - Annual Resident Parking Permit	\$50.00 per year	\$50.00 per year	-	
Southgate RPP - Full Price Employee Parking Permit	\$201.50 per six months	\$375.00 per six months	86.1%	
Southgate RPP - Reduced Price Employee Parking Permit	\$25.00 per six months	\$93.75 per six months	275.0%	

Planning and Community Environment

Fee Title	FY 2022 Adopted	FY 2023 Proposed	% Change	Justification
Community Center Impact Fee	Single Family \$4,438.00 per unit; Multi-Family \$3,283.00 per unit	Single Family \$4,795.06 per unit; Multi-Family \$3,547.13 per unit		8.1%, Construction Cost Index
Community Center Impact Fee	Commercial/Industrial \$1,301.00 per net new 1,000 sq. ft.; Hotel/Motel \$222.00 per net new 1,000 sq. ft.	Commercial/Industrial \$1,410.00 per net new 1,000 sq. ft.; Hotel/Motel \$240.00 per net new 1,000 sq. ft.		
Library Impact Fee	Single Family \$2,645.00 per unit; Multi-Family \$1,956.00 per unit	Single Family \$2,857.80 per unit; Multi-Family \$2,113.37 per unit		
Library Impact Fee	Commercial/Industrial \$776.00 per net new 1,000 sq. ft.; Hotel/Motel \$132.00 per net new 1,000 sq. ft.	Commercial/Industrial \$840.00 per net new 1,000 sq. ft.; Hotel/Motel \$140.00 per net new 1,000 sq. ft.		
Park Impact Fee	Single Family \$57,420.00 per unit; Multi-Family \$42,468.00 per unit	Single Family \$62,039.67 per unit; Multi-Family \$45,884.72 per unit		
Park Impact Fee	Commercial/Industrial \$16,837.00 per net new 1,000 sq. ft.; Hotel/Motel \$2,866.00 per net new 1,000 sq. ft.	Commercial/Industrial \$18,190.00 per net new 1,000 sq. ft.; Hotel/Motel \$3,100.00 per net new 1,000 sq. ft.		

Public Works

Fee Title	FY 2022 Adopted	FY 2023 Proposed	% Change	Justification
Home Improvement Exception – Trees	\$739.00 per application	\$432.00 per application	-41.5%	Fees aligned to modified salary costs of staff time required for this service
IR Review – Trees	\$319.00 per application	\$672.00 per application	110.7%	
A. Pavement Condition: Poor	\$11.00 per square foot	\$12.00 per square foot	9.1%	Fees aligned to increased cost of supplies
B. Pavement Condition: Fair/At-Risk	\$13.00 per square foot	\$15.00 per square foot	15.4%	
C. Pavement Condition: Good	\$16.00 per square foot	\$18.00 per square foot	12.5%	
D. Pavement Condition: Very Good - Excellent	\$23.00 per square foot	\$25.00 per square foot	8.7%	