



City of Palo Alto

City Council Staff Report

(ID # 8753)

Report Type: Consent Calendar

Meeting Date: 1/22/2018

Summary Title: Annual Status Developers' Impact Fees FY2017

Title: Review and Acceptance of Annual Status Report on Developers' Fees for Fiscal Year 2017 and Adoption of Resolution Making Findings Regarding Unexpended Community Center Development Fees in the Amount of \$822,873; Library Development Fees in the Amount of \$537,983; and Park Development Fees in the Amount of \$430,859

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 June 30, 2017 (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 Community Centers Development Fund, Libraries Development Fund, and Park Development Fund.

BACKGROUND

State law (Government Code Section 66006) requires that each local agency that imposes development impact fees prepare an annual report providing specific information about those fees. This requirement is part of the law commonly referred to as AB 1600. 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 4, 2017 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, repealed and replaced by Ordinance 5408 on April 17, 2017): Fee on commercial and industrial development to contribute to programs that increase the City's low income and moderate-income housing stock.
- Parking in-lieu fees for University Avenue Parking District (PAMC Ch. 16.57): Fee on new non-residential development in the University Avenue Parking Assessment District in lieu of providing required parking spaces.
- 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, libraries, public safety, and general government.
- Residential housing in-lieu fees (PA Comprehensive Plan and PAMC Chapter 18, repealed and replaced by Ordinance 5408 on April 17, 2017): Fee on residential developments in-lieu of providing required below-market rate units to low and moderate income households.
- 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.
- Public Art fees (PAMC 16.61): Fee for public art on private developments.
- Parkland dedication fees (Quimby Act) (California Government Code Section 66477): Fee or parkland dedication imposed on new residential and non-residential development.
- Water and sewer capacity fees (California Government Code Section 66000): Fee on developments adding load to water and sewer systems.

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 years, the required statutory carryover findings have already been made for those funds in FY 2012 and FY 2013 and no further findings are required. There are three categories of fees that require statutory findings. (These proposed findings are contained in Attachment B.)

The Community Centers Development Fund has an unexpended balance of \$822,873 that was collected in fiscal year 2012 and prior.

The Libraries Development Fund has an unexpended balance of \$537,983 that was collected in fiscal year 2012 and prior.

The Park Development Fund has an unexpended balance of \$430,859 that was collected in fiscal year 2012 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 \$1,791,715.

Attachments:

- Attachment A: Annual Report on Development Impact Fees for FY 2017
- 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, 2017

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	\$12.36 per square foot	\$2.55 per square foot
Fund Balance July 1, 2016	\$3,279,523	\$891,219
<u>Activity in 2016-17</u>		
Revenues		
Interest Earnings	61,946	16,836
Unrealized Gain/Loss Investments	(67,612)	(17,846)
Total Revenues	(\$5,666)	(\$1,010)
Total Expenditures	0	0
Ending Balance June 30, 2017	\$3,273,857	\$890,209
Net Funds Available	\$3,273,857	\$890,209
Unexpended balance at next finding date (FY 2017-18)	\$2,331,269	\$820,629
USE OF FEES:		
	No expenditures have been made from this fund in Fiscal Year 2017. In FY2017 CMR 7990, Council approved a \$3.2 million funding agreement to transfer funds to the County of Santa Clara over two years (FY2018 and 2019) for the design, review, and construction of improvements at the intersections of Page Mill Road/Hanover Street and Page Mill Road/El Camino Real.	No expenditures have been made from this fund in Fiscal Year 2017.

Attachment A

**City of Palo Alto
Annual Report on Development Impact Fees
for Period Ending June 30, 2017**

FUND	Commercial Housing In-Lieu 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 (repealed and replaced by Ordinance 5408 on April 17, 2017)	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 for retail/restaurant and hotel \$35* per square foot for office *Fees changed from \$20.37 per square foot to new fee structure on 6/19/17	\$67,429 per space
Fund Balance July 1, 2016	\$17,727,522	\$3,589,668
<u>Activity in 2016-17</u>		
Revenues		
Fees Collected	1,518,933	
Prior year fees refunded		(6,960)
Interest Earnings	265,414	68,061
Unrealized Gain/Loss Investments	(218,076)	(88,194)
Total Revenues	1,566,271	(27,093)
Expenditures		
Salaries and Benefit	(1,102)	
Other Contract Services	(14,828)	
Total Expenditures	(15,930)	0
Ending Balance June 30, 2017	\$19,277,863	\$3,562,575
Other Commitments/Appropriations		
Reserve for Notes Receivable include:\$1,290,000 for 2811 Alma, and \$4,137,254 for 801 Alma.	(5,427,254)	
Reserve for Buena Vista	(7,700,000)	
Reserve for Encumbrance	(16,569)	
Net Funds Available	\$6,134,040	\$3,562,575
Unexpended balance at next finding date (FY 2017-18)	7,571,279	\$0
	USE OF FEES: Expenditures of funds have been made in Fiscal Year 2017 for \$1.1K for Management Analyst salaries and benefit, \$14.8K for housing nexus study and consultancy fees. The \$7.7 million Reserve for Buena Vista is included for unexpended balance calculation purposes because this was only set aside by council motion.	USE OF FEES: No expenditures have been made from this fund in Fiscal Year 2017.

Attachment A

**City of Palo Alto
Annual Report on Development Impact Fees
for Period Ending June 30, 2017**

FUND	Residential & Non-Residential Housing Community Facilities Parks	Residential & Non-Residential Housing 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 \$11,864 per residence (or \$17,716 per residence larger than 3,000 sq ft); Multi-family \$7,766 per unit (or \$3,926 per unit smaller than or equal to 900 sq ft) Nonresidential: Commercial/Industrial \$5,038 per 1,000 sq ft or fraction thereof; Hotel/Motel \$2,278 per 1,000 sq ft or fraction thereof	Residential: Single family \$3,075 per residence (or \$4,605 per residence larger than 3,000 sq ft); Multi-family \$2,024 per unit (or \$1,021 per unit smaller than or equal to 900 sq ft) Nonresidential: Commercial/Industrial \$284 per 1,000 sq ft or fraction thereof; Hotel/Motel \$128 per 1,000 sq ft or fraction thereof
Fund Balance July 1, 2016	\$4,013,156	\$5,821,379
<u>Activity in 2016-17</u>		
Revenues		
Fees Collected	436,376	53,053
Interest Earnings	78,769	110,325
Unrealized Gain/Loss	(82,012)	(115,279)
Total Revenues	\$433,133	\$48,099
Total Expenditures	0	0
Ending Balance June 30, 2017	\$4,446,289	\$5,869,478
Net Funds Available	\$4,446,289	\$5,869,478
Unexpended balance at next finding date (FY 2016-17)	430,859	\$822,873
	USE OF FEES: No expenditure of funds have been made from this Fund in Fiscal Year 2017.	USE OF FEES: No expenditure of funds have been made from this Fund in Fiscal Year 2017.

Attachment A

**City of Palo Alto
Annual Report on Development Impact Fees
for Period Ending June 30, 2017**

FUND	Residential & Non-Residential Housing 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. PAMC Chapter 18 (repealed and replaced Ordinance 5408 on April 17, 2017)
Amount of the Fee	Residential: Single family \$1,074 per residence (or \$1,599 per residence larger than 3,000 sq ft); Multi-family \$642 per unit (or \$353 per unit smaller than or equal to 900 sq ft) Nonresidential: Commercial/industrial \$271 per 1,000 sq ft or fraction thereof; Hotel/Motel \$114 per 1,000 sq ft or fraction thereof	Rental housing units: \$20 per sq ft Single-Family Attached units: \$50 per sq ft Single-Family Attached units: \$75 per sq ft Fees effective June 19, 2017
Fund Balance July 1, 2016	\$974,829	\$21,572,925
<u>Activity in 2016-17</u>		
Revenues		
Fees Collected	31,162	1,305,825
Webster Wood Property Rental		5,875
Interest Earnings	18,614	272,727
Unrealized Gain/Loss Investments	(19,118)	(241,936)
Total Revenues	\$30,658	\$1,342,491
Expenditures		
Salaries and Benefits		(1,102)
Contract Services		(149,771)
Housing Program Expense		(68,226)
Total Expenditures	0	(219,099)
Ending Balance June 30, 2017	\$1,005,487	\$22,696,317
Other Commitments/Appropriations		
Reserve for Reappropriations		(323,500)
Reserve for Encumbrances		(70,372)
Reserve for Buena Vista		(6,800,000)
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, \$1,000,000 for Palo Alto Housing Project, \$600,000 for 2811-2825 Alma St., \$203,561 for Colorado Park Housing, and \$51,523 for El Dorado Palace.		(9,067,694)
Net Funds Available	\$1,005,487	\$6,434,751

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**City of Palo Alto
Annual Report on Development Impact Fees
for Period Ending June 30, 2017**

Unexpended balance at next finding date (FY 2016-17-Residential & Non Residential Housing Communities Facilities Libraries, FY2017-18-Residential Housing In-Lieu)	\$537,983	\$2,114,048
USE OF FEES: No expenditure of funds have been made from this Fund in Fiscal Year 2017.		USE OF FEES: Expenditures in Fiscal Year 2017 include \$1.1K for Management Analyst salaries and benefit, \$135K to Palo Alto Housing Corp for BMR fees and \$15K for housing nexus study and consultancy fees. The \$6.8 million Reserve for Buena Vista is included for unexpended balance calculation purposes because this was only set aside by council motion

Attachment A

**City of Palo Alto
Annual Report on Development Impact Fees
for Period Ending June 30, 2017**

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 pedestrian 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: \$1,300 per unit; Commercial: \$0.38 per sq ft	\$3,559 per net new PM peak hour trip
Fund Balance July 1, 2016	\$10,540	\$3,025,738
<u>Activity in 2016-17</u>		
Revenues		
Fees Collected		375,795
Interest Earnings	191	55,919
Unrealized Gain/Loss	(1,869)	(57,447)
Total Revenues	(\$1,678)	\$374,267
Expenditures		
Operating Transfer to Capital Projects Fund		(432,050)
Total Expenditures	0	(432,050)
Ending Balance June 30, 2017	\$8,862	\$2,967,955
Net Funds Available	\$8,862	\$2,967,955
Unexpended balance at next finding date (FY2017-18-Charleston-Arastradero, FY2017-18 Citywide Transportation)	\$0	\$829,261
USE OF FEES:		USE OF FEES:
No expenditure of funds have been made from this Fund in Fiscal Year 2017.		Expenditures have been made in Fiscal Year 2017 for \$432K to PE-05030 (Traffic Signal and ITS Upgrade).

Attachment A

**City of Palo Alto
Annual Report on Development Impact Fees
for Period Ending June 30, 2017**

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 \$1,031 per unit; Multi-family \$825 per unit Nonresidential: Commercial \$576 per 1,000 sq ft. or fraction thereof; Industrial \$192 per 1,000 sq. ft. or fraction thereof; Hotel/Motel \$769 per 1,000 sq ft or fraction thereof	Residential: Single family \$1,299 per unit; Multi-family \$1,039 per unit Nonresidential: Commercial \$726 per 1,000 sq ft. or fraction thereof; Industrial \$242 per 1,000 sq. ft. or fraction thereof; Hotel/Motel \$970 per 1,000 sq ft or fraction thereof
Fund Balance July 1, 2016	\$20,983	\$26,430
Activity in 2016-17		
Revenues		
Fees Collected	65,556	82,608
Interest Earnings	814	1,025
Unrealized Gain/Loss	(193)	(243)
Total Revenues	\$66,177	\$83,390
Total Expenditures	0	0
Ending Balance June 30, 2017	\$87,160	\$109,820
Net Funds Available	\$87,160	\$109,820
Unexpended balance at next finding date FY 2019-20	\$1,403	\$1,768
	USE OF FEES:	USE OF FEES:
	No expenditure of funds have been made from this Fund in Fiscal Year 2017.	No expenditure of funds have been made from this Fund in Fiscal Year 2017.

Attachment A

**City of Palo Alto
Annual Report on Development Impact Fees
for Period Ending June 30, 2017**

(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 square feet 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 \$108.87 million construction valuation and .9% of construction valuation for valuation in excess of \$108.87 million	Single Family: \$58,812 per unit; Multi-Family: \$40,103 per unit. This applies only to residential projects that require a subdivision or parcel map. Land dedications 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.
Fund Balance July 1, 2016	\$281,548	\$3,263,832
Activity in 2016-17		
Revenues		
Fees Collected	351,809	67,502
Interest Earnings	6,530	61,838
Unrealized Gain/Loss Investments	(7,916)	(61,270)
Operating Transfer from General Fund	78,506	
Total Revenues	\$428,929	\$68,070
Expenditures		
Salaries and benefits	(159,637)	
General Expenses	(77)	
Total Expenditures	(159,714)	0
Ending Balance June 30, 2017	\$550,763	\$3,331,902
Net Funds Available	\$550,763	\$3,331,902
	This fund is not subject to AB1600 requirements and is listed only for information purposes	This fund is not subject to AB1600 requirements and is listed only for information purposes

Attachment A

**City of Palo Alto
Annual Report on Development Impact Fees
for Period Ending June 30, 2017**

(INFORMATION ONLY)

FUND	Water and Wastewater Collection
Purpose and Authority for Collection	Capacity fees charged to developers that are adding load to the water and sewer systems effective July 1, 2005. California Government Code Sect 66000
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>
<u>Activity in 2016-17</u>	
Capacity Fees Collected	
Water	\$1,088,535
Wastewater Collection	<u>803,838</u>
Total	\$1,892,373
	USE OF FEES:
	The fees are used exclusively for water and sewer system improvements

Attachment B
NOT YET ADOPTED

Resolution No. _____

Resolution of the Council of the City of Palo Alto Making Findings
Regarding Continuing Need for Unexpended Community Center
Development Fees in the Amount of \$822,873; Library
Development Fees in the Amount of \$537,983; and Park Development
Fees in the Amount of \$430,859.

RECITALS

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

B. As authorized under Chapter 16.58 of the Palo Alto Municipal Code, the City has collected a development fee known as the "Community Center Impact Fee" for the purpose of funding development and improvements to community centers; and

C. The sum of \$822,873, representing fees collected pursuant to Chapter 16.58 since January 2002, together with accrued interest thereon, remains unexpended five or more years after deposit of the fees ("unexpended Community Center Impact development fees"); and

D. As authorized under Chapter 16.58 of the Palo Alto Municipal Code, the City has collected a development fee known as the "Library Impact Fee" for the purpose of funding development and improvements to libraries; and

E. The sum of \$537,983, representing fees collected pursuant to Chapter 16.58 since January 2002, together with accrued interest thereon, remains unexpended five or more years after deposit of the fees ("the unexpended Library development fees");

F. As authorized under Chapter 16.58 of the Palo Alto Municipal Code, the City has collected a development fee known as the "Park Development Fee" for the purpose of funding acquisition of land and improvements for neighborhood and district parks; and

G. The sum of \$430,859, representing fees collected pursuant to Chapter 16.58 since January 2007, together with accrued interest thereon, remains unexpended five or more years after deposit of the fees ("the unexpended Park Development fees").

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

SECTION 1. The Council makes the following findings:

Community Center Fees

NOT YET ADOPTED

1. The Community Center fees were collected pursuant to Chapter 16.58 of the Palo Alto Municipal Code, to be used for the purpose of funding construction of community centers.
2. The unexpended Community Center fees in the amount of \$822,873 are intended to be used to fund projects related to the new Junior Museum and Zoo (JMZ) including increased access for pedestrian and bicycles, parking improvements, and exhibits.
3. These funds have not been expended to date because an expenditure plan for the new JMZ is still being finalized, including partnerships with non-profit organizations with established alliances with the JMZ. A transfer of funds is anticipated by the end of Fiscal Year (“FY”) 2021.
4. The need for the improvements for which the Community Center fees were collected was identified in an Environmental Impact Report (“EIR”) certified by the City Council on January 13, 1986.
5. The Community Center fees continue to be required in order to fund the improvements specified in Chapter 16.58 and in this resolution.
6. Based on the foregoing, a continuing need for the Community Center fees has been demonstrated.

Library Fees

7. The Library fees were collected pursuant to Chapter 16.58 of the Palo Alto Municipal Code, to be used solely for the purpose of funding the development of libraries.
8. The City plans to spend the unexpended Library fees in the amount of \$537,983 to fund new self-service library machines that can be placed in locations that the library does not currently serve, as well as higher-capacity book processing machines to facilitate book returns and sorting. This development may include the expansion of print and electronic materials.
9. These funds have not been expended to date because the library is evaluating new technologies and developing a plan for effective deployment of these resources. A transfer of funds is anticipated by the end of FY 2019.
10. The need for the improvements for which the Library fees were collected was identified in an EIR certified by the City Council on January 13, 1986.
11. The Library fees continue to be required in order to fund the improvements specified in Chapter 16.58 and in this resolution.

NOT YET ADOPTED

12. Based on the foregoing, a continuing need for the Library fees has been demonstrated.

Park Development Fees

13. The Park Development fees were collected pursuant to Chapter 16.58 of the Palo Alto Municipal Code to be used for the purpose of developing neighborhood or district parks in underserved communities.

14. The unexpended Parkland Development fees in the amount of \$430,859 are intended to be used to fund priority Capital Improvement Projects that expand the capacity of existing neighborhood and district parks, including installation of bathrooms, field improvements, trail expansion, dog parks, and parking improvements, as identified in the FY 2018 Adopted Capital budget. A transfer of funds is anticipated by the end of FY 2020.

15. The fees continue to be required in order to fund the improvements specified in Chapter 16.58 and in this resolution.

16. Based on the foregoing, a continuing need for the Park Dedication fees has been demonstrated.

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NOT YET ADOPTED

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:

APPROVED:

City Clerk

Mayor

APPROVED AS TO FORM:

City Manager

Deputy City Attorney

Director of Administrative Services

Director of Planning and Community Environment