



# City of Palo Alto

## Finance Committee Staff Report

(ID # 10225)

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**Report Type: Action Items**

**Meeting Date: 5/23/2019**

**Summary Title: Fiscal Year 2020 Proposed Municipal Fee Schedule**

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**From: City Manager**

**Lead Department: Administrative Services**

### **Recommendation**

Staff recommends that the Finance Committee recommend that the City Council approve proposed amendments to the Municipal Fee Schedule for Fiscal Year 2020.

### **Background**

Annually, as part of the budget process, staff submits changes to the Municipal Fee Schedule for Finance Committee review and recommendation, followed by final approval by the City Council. The City charges fees for a variety of services provided. For example, these include fees for photocopies, building inspection services, or room rentals.

In Fiscal Year 2013, staff completed a cost of services study for most departments. Part of that study included a review of the City's calculation of expenditures linked to a particular fee activity in order to determine the cost recovery level. These expenditures include the budgeted cost of staff time including salaries and benefits; related non-salary expenditures; department and citywide cost allocations to recuperate costs for department management oversight and internal support functions such as purchasing, payroll, or human resources.

On April 6, 2015 staff presented, as part of a study session, a draft User Fee Cost Recovery Level Policy. Based on Council input and support for the policy, Council approved the policy on May 18, 2015, detailed in the chart below.

Cost Recovery Level Group	Cost Recovery Percentage Range	Policy Considerations
Low	0% - 30%	<ul style="list-style-type: none"> <li>No intended relationship between the amount paid and the benefit received</li> <li>Fee collection would not be cost effective and/or would discourage compliance with regulatory requirements</li> <li>No intent to limit the use of the service</li> <li>Public at large benefits even if they are not the direct users of the service</li> <li>Affordability of service to low-income residents</li> </ul>
Medium	30.1% - 70%	<ul style="list-style-type: none"> <li>Services which promote healthy activities and educational enrichment to the community</li> <li>Services having factors associated with the low and high cost recovery levels</li> </ul>
High	70.1% - 100%	<ul style="list-style-type: none"> <li>Individual users or participants receive most or all of the benefit of the service</li> <li>Other private or public sector alternatives provide the service</li> <li>The use of the service is specifically discouraged</li> <li>The service is regulatory in nature</li> </ul>

Since its adoption in Fiscal Year 2015, the User Fee Cost Recovery Level Policy has served as a guide for departments to update their fees. Planning and Community Environment Department completed a fee study in Fiscal Year 2016. The Development Services Department completed an extensive fee study in Fiscal Years 2017 and 2018. More recently, the Police Department analyzed their fees and presented their recommendations based on that analysis to the Finance Committee for review in Fiscal Year 2019.

As suggested by the City Council in Fiscal Year 2016, this annual report brings forward amendments to the Municipal Fee Schedule focused on

- (1) New fees,
- (2) Deletion of existing fees, and
- (3) Changed fees to attain a higher cost recovery level consistent with other fees or based on a market study for similar services.

### Discussion

The development of the Municipal Fee Schedule for Fiscal Year 2020 initiates efforts that address Finance Committee recommendations from October 16, 2018 ([CMR 9664](#)) for the City Council to

- A. Adopt an update to the User Fee Cost Recovery Level Policy to include language clarifying certain types of fees are not subject to state laws limiting fees to cost recovery; and
- B. Direct Staff to develop a work plan to evaluate all fees and decide which ones are still appropriate.

The Finance Committee unanimously approved this direction. During the development of the Municipal Fee Schedule for Fiscal Year 2020, Library, Police, and Public Works conducted an in-depth review of their fees to determine which ones are still appropriate. Staff anticipates bringing the policy update to the full Council for final approval this year.

This Municipal Fee Schedule for Fiscal Year 2020 also reflects department and services realignments including: the Animal Shelter services transition; merging Development Services with Planning and Community Environment; and establishing the Office of Transportation (OOT). Information regarding these realignments are detailed below:

- *Animal Services Transition:* on November 26, 2018 ([CMR 9822](#)), the City Council approved a contract with Pets-in-Need (PIN) to deliver animal care services at the shelter, transitioning service delivery from the Police Department to the outside contractor. This new partnership with PIN is administered by the Community Services Department. While the City no longer directly administers animal care services including various shelter service fees, the fees are still included in the Municipal Fee Schedule as it remains a City service and operation administered through PIN. Recommended changes to certain Animal Shelter service fees to align with the new service delivery model are detailed in Attachment A and are a result of conversations with PIN and CSD staff.
- *Merging Development Services into Planning and Community Environment:* The FY 2020 Proposed Operating Budget recommends the merging of these two departments creating one cohesive unit focused on entitlements, permitting, code enforcement, and land use visioning. The Development Center remains as a one stop shop, however, all fees have been realigned to fall under the Planning and Community Environment Department.
- *Establishing an Office of Transportation:* The FY 2020 Proposed Operating Budget recommends establishing an Office of Transportation, reporting directly to the City Manager's Office. This Office will continue to address the growing complexity and demands associated with parking, traffic, and pending decisions regarding grade separation. Transportation was previously a division of the Planning and Community Environment Department.

The majority of fees across the City were updated to maintain cost recovery levels. The average increase of salaries and benefits from Fiscal Year 2019 to Fiscal Year 2020 was 7.5% and this rate of increase was applied to most fees to maintain cost recovery levels. This year over year increase is higher than typically seen as it includes the City Council's new direction to use a more conservative assumption for pension costs. Therefore, this general increase assumes the proactive work to ensure the City is keeping up with "pay go" pension costs would also be supported by fee payers for those services reimbursed by fees. Only those fee changes that deviate from this general increase, fees that were adjusted by a factor greater than 7.5% to attain a higher cost recovery level, or were adjusted based on a fee study or a market study, are further detailed in Attachment A.

## New Fees

As identified in Table 1 below, eight (8) new fees are recommended to be added to the Fiscal Year 2020 Proposed Municipal Fee Schedule: three in Community Services and five in Planning and Community Environment.

### *Community Services Department recommended additions:*

- Two fees for events and training that will be provided at the Animal Shelter. These fees are recommended to be added to reflect new programs and services added by Pets-In-Need (PIN), the City's non-profit partner at the Animal Shelter.
- One reinstated fee for personal flotation device (life vest) rentals at Foothills Park so visitors can rent a life vest for use when they bring their personal non-motorized boats.

### *Planning and Community Environment Department recommended additions:*

- Four new hourly fees associated with Plan Checks and Inspections, which will allow management to apply cost recovery rates for situations which do not fall within the typical scope of a full department review. While there are existing Plan Check and Inspection fees based on project valuation, some hourly rates to charge builders for specific time and materials work needed to be specified such as costs associated with projects that submit change requests or are outside the normal scope of building activity.
- One fee to address new permit requirements for demolition of certain applicable structures.

**Table 1. New Fees for 2020**

Department	Fee Title	FY 2020 Proposed Fee	Cost Recovery Level
Community Services	Canine Training Deposit	\$75.00 each	High
Community Services	Classes, camps, corporate events	\$20.00 - \$1,000.00 per event	High
Community Services	Personal Flotation Device (Foothills Park Only)	\$2.00 per use	High
Planning and Community Environment (Development Services - Fire)*	Miscellaneous Fire Prevention Plan Check	\$214.00 per hour	High
Planning and Community Environment (Development Services - Building)*	Miscellaneous Planning Plan Check & Inspection	\$216.00 per hour	High
Planning and Community Environment (Development Services - Public Works)*	Miscellaneous Public Works Inspection	\$216.00 per hour	High
Planning and Community Environment (Development Services - Public Works)*	Miscellaneous Public Works Plan Check	\$254.00 per hour	High
Planning and Community Environment (Development Services - Public Works)*	Polychlorinated Biphenyls (PCBs) Permit Review Fee	\$400.00 per review (up to 2 hours) plus \$168.00 per hour thereafter	High

\*As discussed above, Development Services is included as part of the Planning and Community Environment Department (PCE) in the FY 2020 Proposed Budget.

## Deleted Fees

Twenty-three (23) fees are recommended to be deleted in the Fiscal Year 2020 Proposed Municipal Fee Schedule. The deleted fees are included in the following departments: Community Services (5 fees); Library (1 fee); Office of Transportation (3 fees); and Police (14 fees). It should be noted that the majority of these recommended deletions were already approved by the Finance Committee in October 2018 in the review of Police Department fees ([CMR 9664](#)). This action carries forward this recommendation and ultimately would finalize these eliminations as part of the public hearing for the adoption of the FY 2020 Municipal Fee Schedule. Each fee, and the justification for its deletion, is detailed in Table 2 below.

**Table 2. Deletion of Fees for FY 2020**

Department	Fee Title	Justification
Community Services	Green Room and Dressing Rooms	These rooms are no longer available for rent following contract negotiations with the theatre companies.
Community Services	Group Rate	This fee is no longer necessary given current program and service offerings.
Community Services	Individual Entry Rate	This fee is no longer necessary given current program and service offerings.
Community Services	Package Rental - Adobe North Tech Lab and South Meeting Room	This fee is no longer necessary given current program and service offerings.
Community Services	Snack Food at Special Events	This fee is no longer necessary given current program and service offerings.
Library	Downtown Library Community Room	There is little to no market for this fee.
Office of Transportation	Commercial/Construction Parking Permits - Emergency Repair Vehicles	There is little to no market for this fee.
Office of Transportation	Locker - Refundable Key Deposit	This service is no longer provided.
Office of Transportation	Locker - Rental Fee	This service is no longer provided.
Police	Billiard Room (non-refundable)	This service is no longer provided and is recommended for removal as directed by the Finance Committee recommendation on October 16, 2018 (CMR 9664) to remove fees that the Police Department has determined obsolete.
Police	Bingo Employee - New	
Police	Bingo Employee - Renewal	
Police	Bingo Establishment	
Police	Bowling Alley (non-refundable)	
Police	Carnival	
Police	Circus	
Police	Hot Tub Sauna - Employee (New)	
Police	Hot Tub Sauna - Employee (Renewal)	
Police	Hot Tub Sauna - New	
Police	Hot Tub Sauna - Renewal	
Police	Hot Tub Sauna - Sale or Transfer of Interest	
Police	Mechanical Amusement Device Establishment	
Police	Rodeo - New	

### Changed Fees

Sixty-one (61) fees are recommended for adjustments by a factor other than the baseline salary & benefits adjustments to either

- (1) attain a cost recovery level consistent with other fees or
- (2) align with a market study or
- (3) modify the fee structure to be aligned with current service delivery.

These changed fees are detailed in Attachment A and are included in the following departments: 35 in Community Services and 26 in Planning and Community Environment. Out of the 26 Planning and Community Environment fees, 20 are fees related to Development Services – Public Works, one Parking In-Lieu fee, four Development Services – Building fees, and one Development Services – Fire fee. Each fee is listed by name along with the Adopted Fiscal Year 2019 rate, the Proposed Fiscal Year 2020 rate, the percentage change, and the fee change justification.

Some examples of fees being increased by other than the baseline salary & benefits adjustments include Community Services Animal Shelter fees, which were changed based on the market value for providing animal care services; and Planning and Community Environment (Development Services – Building) fees, which were modified to a progressive tier structure based on project value in an effort to attain appropriate cost recovery for projects over \$4 million dollars. Through the 2020 Municipal Fee Schedule development, the Public Works Department closely analyzed and updated their Planning and Community Environment (Development Services – Public Works Department) fees, which were recommended for alignments to maintain cost recovery levels.

### Parking In-Lieu fees

Palo Alto Municipal Code (PAMC) Chapter 16.57.030 requires that the Parking In-Lieu Fee be recalculated in the event the City Council approved the construction of a public parking structure. Per the Municipal Code, the fee shall be adjusted at the time the construction contract is awarded to include actual costs to date, plus the projected construction cost and authorized contingency. A second recalculation must occur after the project is completed, based on actual design and construction costs incurred. The recalculated fee may be higher or lower than the initial fee.

In December 2018 Council awarded a construction contract to Swinerton Builders ([CMR 9688](#)) for the New California Avenue Area Parking Garage. Attachment B provides a calculation of the total project cost as described in PAMC 16.57.30. This total cost includes design costs plus additional services, the construction bid with authorized contingency, and all other staff and administrative actual and projected costs. The total project cost as calculated above is \$50.1 million. The total number of net new parking spaces (new garage spaces minus existing spaces) is 475. Special factors such as retail space, tenant improvements, and solar installation were considered and adjusted in the project total where applicable. Therefore, the cost per new space is recommended at \$106,171 (total cost/net new parking spaces), a 51.5 percent increase from the existing fee of \$70,094.

### Development Impact Fees

In the Planning and Community Environment Department, development impact fees were updated to reflect the most recently published Construction Cost Index (CCI) for the San Francisco Bay Area, as calculated by the Engineering News Record. This is in accordance with Municipal Code 16.64.110, as amended on November 28, 2016 ([CMR 7518](#)), to standardize when these fees are paid, bring uniformity to the calculation in effect, bring uniformity to the annual adjustment rate, and other updates. Since these fees are governed by the applicable Municipal Code section, they are not discussed in Attachment A.

### **Resource Impact**

The majority of fees are recommended to be increased by 7.5% due to the equivalent average citywide increase in salary and benefits costs from the Fiscal Year 2019 Adopted Budget to the Fiscal Year 2020 Proposed Budget. As outlined in Attachment A, two fees are recommended to be changed by an amount greater than 7.5% to attain a higher cost recovery level consistent with other fees or adjusted based on a policy or market study. Development Impact fees are increased in accordance with the applicable Municipal Code sections and are not reflected in Attachment A. The revenue adjustments associated with these various fee level adjustments have been factored into the development of the Fiscal Year 2020 Proposed Operating Budget as appropriate. To the extent recommended fee levels are changed, implications on the revenue assumptions included in the FY 2020 Proposed Operating Budget may need to be reevaluated and impact the balancing of revenues versus expenses.

### **Policy Implications**

These recommendations are consistent with existing City policies. In accordance with Proposition 26, the amount of new or increased fees and charges is no more than necessary to cover the reasonable cost of the City service, and the manner in which those costs are allocated to a payer bears a fair and reasonable relationship to the payer's burden on, or benefits received from, such a City service.

### **Environmental Review**

Adjustment to the Municipal Fee Schedule does not constitute a project as defined in Public Resource Code Section 21065 for the purpose of the California Environmental Quality Act.

### **Attachments:**

- ATTACHMENT A: Municipal Fee Schedule Amendments for FY 2020 - Changed Fees
- ATTACHMENT B: Municipal Fee Schedule Parking In-Lieu Calculations

Community Services (CMR#9822 Pets-In-Need)

Fee Title	2019 Adopted	2020 Proposed	% Change	Justification
Animal Services (Adoptions): Cockatiels	\$27.00 per pet	\$10.00 per pet	-62.96%	These recommended changes will align fees with the new business model for providing Animal Shelter services through a partnership with Pets-In-Need (PIN) approved by Council (CMR#9822).
Animal Services (Spay & Neuter Clinic Fees): A. Neuter (0lbs - 50lbs)	\$95.00 per pet	\$75.00 per pet	-21.05%	
Animal Services (Vaccinations): DA2PP	\$20.00 per pet	\$15.00 per pet	-25.00%	
Animal Services (Adoptions): Rabbits	\$45.00 per pet	\$10.00 per pet	-77.78%	
Animal Services (Vaccinations): Bordatella	\$20.00 per pet	\$15.00 per pet	-25.00%	
Animal Services (Spay & Neuter Clinic Fees): B. Neuter (51lbs and over)	\$120.00 per pet	\$100.00 per pet	-16.67%	
Animal Services (Spay & Neuter Clinic Fees): Spay	\$90.00 per pet	\$65.00 per pet	-27.78%	
Animal Services (Spay & Neuter Clinic Fees): C. Spay (0lbs - 50lbs)	\$110.00 per pet	\$125.00 per pet	13.64%	
Animal Services (Vaccinations): FVRCP	\$20.00 per pet	\$15.00 per pet	-25.00%	
Animal Services (Spay & Neuter Clinic Fees): D. Spay (51lbs and over)	\$165.00 per pet	\$175.00 per pet	6.06%	
Animal Services (Vaccinations): Leukemia	\$20.00 per pet	\$15.00 per pet	-25.00%	
Animal Services (Vaccinations): Microchip	\$40.00 per pet	\$25.00 per pet	-37.50%	
Animal Services (Spay & Neuter Clinic Fees): Neuter	\$65.00 per pet	\$50.00 per pet	-23.08%	
Animal Services (Boarding): Rabbits	\$5.00 per pet	\$20.00 per pet	300.00%	
Animal Services (Vaccinations): Rabies	\$10.00 per pet	\$15.00 per pet	50.00%	
Animal Services (Adoptions): Rats, Hamsters, Guinea Pigs, & Mice	\$5.00 per pet	\$10.00 per pet	100.00%	
Animal Services (Adoptions): Dogs & Cats	\$125.00 per pet	\$150.00 per pet	20.00%	
Animal Services (Vaccinations): Microchip Rescue Group	\$20.00 per pet	\$25.00 per pet	25.00%	
Animal Services (Adoptions): Parakeets, Chickens, Pigeons, & Doves	\$5.00 per pet	\$10.00 per pet	100.00%	
Animal Services (Boarding): Small Animals (Reptiles, Birds, etc.)	\$3.00 per pet	\$20.00 per pet	566.67%	
Animal Services (Boarding): Cats	\$20.00 per pet	\$20.00 per day	NA	
Animal Services (Boarding): Dogs	\$20.00 per pet	\$20.00 per day	NA	



Community Services

Fee Title	2019 Adopted	2020 Proposed	% Change	Justification
Arts & Sciences: Field Trips	Resident Fee: Palo Alto & Ravenswood School Districts: \$3.00 - \$5.00 per student; Non-Resident Fee: \$84.00 - \$140.00 per group	Resident Fee: \$135.00 per group; Non-Resident Fee: \$135.00 per group	NA	Modify fee structure to align with current service delivery.
Recreation: Card Replacement Fee	\$1.00 - \$5.00	\$5.00 per item	NA	
Rentals & Reservations: Auditorium and Stage	Resident Fee: \$210.00 - \$3,150 per hour; Non-Resident Fee: \$315.00 - \$4,275.00 per hour	Resident Fee: \$250.00 per hour; Non-Resident Fee: \$375.00 per hour	NA	
Rentals & Reservations: Exclusive Monthly Storage Space (As Available)	\$2 per sq. ft. per month	\$2 per cubic feet per month	NA	
Rentals & Reservations : Auditorium and Stage	Resident Fee: \$210.00 - \$3,150 per hour; Non-Resident Fee: \$315.00 - \$4,275.00 per hour	Resident Fee: \$250.00 per hour; Non-Resident Fee: \$375.00 per hour	NA	
Rentals & Reservations: Rehearsal Hall	Resident Fee: \$42.00 - \$1,050.00 per hour; Non-Resident Fee: \$63.00 - \$1,575.00 per hour	Resident Fee: \$50.00 per hour; Non-Resident Fee: \$75.00 per hour	NA	
Rentals & Reservations: Cubberley Banner Marquee	\$12.00 - \$54.00 per week	\$25.00 per week	NA	
Rentals & Reservations: Park Ranger	\$75.00 per hour	\$99.00 per hour	32.00%	
Rentals & Reservations: Piano - 7' Grand	\$43.00 per use plus moving and tuning costs	\$50.00 per use plus moving and tuning costs	16.28%	Fee is increased to align with market value.
Rentals & Reservations (Foothills Park): A. Oak Grove Picnic 1 - 50 People	Resident Fee: \$80.00 per group; Non-Resident Fee: Not Available	Resident Fee: \$90.00 per group; Non-Resident Fee: Not Available	12.50%	
Rentals & Reservations (Foothills Park): B. Oak Grove Picnic 51 - 100 People	Resident Fee: \$160.00 per group; Non-Resident Fee: Not Available	Resident Fee: \$180.00 per group; Non-Resident Fee: Not Available	12.50%	
Rentals & Reservations (Foothills Park): C. Oak Grove Picnic 101 - 150 People	Resident Fee: \$240.00 per group; Non-Resident Fee: Not Available	Resident Fee: \$270.00 per group; Non-Resident Fee: Not Available	12.50%	
Rentals & Reservations (Foothills Park): Towle Camp	Resident Fee: \$35.00 per campsite; Non-Resident Fee: Not Available	Resident Fee: \$40.00 per campsite; Non-Resident Fee: Not Available	14.29%	

Planning and Community Environment (Development Services: Public Works)

Fee Title	2019 Adopted	2020 Proposed	% Change	Justification
Encroachment Permit: A. Dumpster, Container	\$339.00 each	\$331.00 each	-2.36%	Fees were analyzed; proposed fees reflect costing refined to maintain cost recovery levels.
Encroachment Permit: B. Non-Residential - Single Day	\$1,368.00 each	\$1,339.00 each	-2.12%	
Encroachment Permit: C. Non-Residential Short-Term (Less than 5 days)	\$1,606.00 each	\$1,570.00 each	-2.24%	
Encroachment Permit: D. Non-Residential Long-Term (More than 5 days)	\$2,234.00 each	\$2,177.00 each	-2.55%	
Encroachment Permit: E. Additional Non-Residential Long-Term (More than 5 days) Monthly	\$817.00 per month	\$786.00 per month	-3.79%	
Engineering: A. 101 - 1,000 cubic yards	\$217.00 for the first 100 cubic yards, plus \$217.00 for each additional 100 cubic yards or fraction thereof	\$213.00 for the first 100 cubic yards, plus \$213.00 for each additional 100 cubic yards or fraction thereof	-1.84%	
Engineering: B. 1,001 - 10,000 cubic yards	\$2,170.00 for the first 1,000 cubic yards plus \$204.00 for each additional 1,000 cubic yards or fraction thereof	\$2,130.00 for the first 1,000 cubic yards plus \$199.00 for each additional 1,000 cubic yards or fraction thereof	-1.84%	
Engineering: C. 10,001 or more cubic yards	\$4,210.00 for the first 10,000 cubic yards plus \$770.00 for each additional 10,000 cubic yard or fraction thereof	\$4,120.00 for the first 10,000 cubic yards plus \$771.00 for each additional 10,000 cubic yard or fraction thereof	-2.14%	
Inspection Fees: Tree Inspection for Private Development	\$164.00 per inspection	\$162.00 per inspection	-1.22%	
Inspection Fees: Wet Season Construction Site Stormwater Inspection	\$314.00 per inspection plus \$94.00 per hour thereafter, charged monthly October thru April.	\$308.00 per inspection plus \$101.00 per hour thereafter, charged monthly October thru April.	-1.91%	
Map/Plan Review Fees: Architectural Review - Minor Project Trees (ARB Review)	\$1,249.00 per application	\$1,223.00 per application	-2.08%	
Map/Plan Review Fees: Architectural Review - Minor Project Trees (Staff Review)	\$249.00 per hour	\$244.00 per hour	-2.01%	
Permit Fees: 1. Temporary Discharge to Storm Drain from Non-Exclusionary Construction Site Dewatering	\$15,442 per request to discharge	\$15,593.00 per request to discharge	0.98%	
Permit Fees: 2. Additional Temporary Discharge to Storm Drain from Non-Exclusionary Construction Site Dewatering	\$342.00 per week for the duration of dewatering activities	\$341.00 per week for the duration of dewatering activities	-0.29%	
Permit Fees: A. Construction in Public Right-of-Way (\$1.00 - \$5,999)	\$783.00 per occurrence	\$751.00 per occurrence	-4.09%	
Permit Fees: B. Construction in Public Right-of-Way (\$6,000 - \$25,999)	\$783.00 + 9.7% of value greater than \$6,000.00	\$751.00 + 9.4% of value greater than \$6,000.00	-4.09%	
Permit Fees: C. Construction in Public Right-of-Way (\$26,000 - \$100,999)	\$2,723.00 + 11.9% of value greater than \$26,000.00	\$2,631.00 + 11.5% of value greater than \$26,000.00	-3.38%	
Permit Fees: D. Construction in Public Right-of-Way (\$101,000 +)	\$11,648.00 + 9.8% of value greater than \$100,000.00	\$11,265.00 + 9.6% of value greater than \$100,000.00	-3.29%	
Permit Fees: Right of Way Closure Management	\$91.00 per closure	\$87.00 per closure	-4.40%	
Permit Fees: Storm Drain Plan Check Fee	\$814 per project	\$1,017.00 per project	24.94%	Council directed in FY 2016 to bring this fee up in 25% increments to be fully cost recoverable; fee will be fully cost recoverable as of FY 2020.

Planning and Community Environment (Development Services)

Fee Title	2019 Adopted	2020 Proposed	% Change	Justification
Building Permit Fee	1.50% of Construction Value	1.50% of Construction Value for projects between \$1.00 to \$4,000,000.00; 1.0% of Construction Value for projects between \$4,000,000.01 to \$10,000,000; 0.5% of Construction Value for projects above \$10,000,000.00, progressively applied in a tier structure as value increases; if project is out of scope from a traditional building structure and/or additional services are required then an alternative fee arrangement may be established by the Chief Building Official to achieve cost recovery.		Fees were changed from flat percent to a progressive tier structure to ensure appropriate cost recovery for projects over \$4 million dollars; this was recommended after internal analysis and review with outside consultant.
Building Plan Check	75% of Building Permit fee	75% of Building Permit Fee for projects between \$1.00 to \$4,000,000; 50% of Building Permit Fee for projects between \$4,000,000.01 to \$10,000,000; 25% of Building Permit Fee for projects above \$10,000,000, progressively applied in a tier structure as value increases		
Fire and Life Safety Plan Check	54% of Building Permit fee	54% of Building Permit Fee for projects between \$1.00 to \$4,000,000; 35% of Building Permit Fee for projects between \$4,000,000.01 to \$10,000,000; 18% of Building Permit Fee for projects above \$10,000,000, progressively applied in a tier structure as value increases		
Fire and Life Safety Plan Check - Commercial	Building Plan Check Fee and is collected by the Building Division at th	54% of Building Permit Fee for projects between \$1.00 to \$4,000,000; 35% of Building Permit Fee for projects between \$4,000,000.01 to \$10,000,000; 18% of Building Permit Fee for projects above \$10,000,000, progressively applied in a tier structure as value increases		
Public Works Plan Check	44% of Building Permit fee	44% of Building Permit Fee for projects between \$1.00 to \$4,000,000; 30% of Building Permit Fee for projects between \$4,000,000.01 to \$10,000,000; 15% of Building Permit Fee for projects above \$10,000,000, progressively applied in a tier structure as value increases		

Planning and Community Environment (Parking In-Lieu)

Fee Title	2019 Adopted	2020 Proposed	% Change	Justification
Parking In-Lieu Fee for Downtown Assessment District	\$70,094 per parking space	\$106,171 per parking space	51.47%	Please see page 6 for detailed justification.

Expense Type	Expense Description	Amount	Notes	
<b>DESIGN &amp; SOFT COSTS</b>				
<b>Permits, Fees, Utilities</b>	Plan Check/ Permit Fees	865,960	<i>Relocation, connection etc should all be included. Relocation may be included in the construction cost, do not double count.</i>	
	Utility Fees	370,000		
	Title Reports	3,000		
	Easement Costs	150,000		
	Land Acquisition			
<b>Architect &amp; Engineer</b>	Other		<i>Must specify - all CIP costs should be accounted for.</i>	
	Architect	1,811,046		
	Architect Reimbursables			
	Architect Add Services Budget			
	Civil Engineering Services			
	Structural Engineering Services			
	Mechanical/Plumbing/Electric			
	Architect Add Services Fee	219,747	<i>Curent Remaining Soft Cost Contingency</i>	
	Other		<i>Must specify - all CIP costs should be accounted for.</i>	
	<b>Other Consultants</b>	Geotechnical Engineering	50,000	
Geological Testing		38,600		
Feasibility Study				
Site Assessment		40,614		
Survey and Parcel Map				
Archeologist				
Traffic Consultant		30,000		
Project Management			<i>Preconstruction</i>	
C-3 Stormwater Management		7,500		
Arborist		8,640		
Construction Management		1,249,193		
Construction Management Add Services				
Photo Documentation				
Commissioning Agent		20,000		
Acoustical Study				
<b>Insurance &amp; Bonds</b>	City Staff Time	2,360,000	<i>City of Palo Alto staff salary actuals to date recorded in the CIP plus projected costs</i>	
	Other	430,000	<i>Preconstruction</i>	
	Builders Risk and OCIP			
	Bonds			
	Bond Issuance/ Financing	301,606	<i>Any legal fees and outside counsel required.</i>	
	Other		<i>Must specify - all CIP costs should be accounted for.</i>	
	<b>Testing &amp; Inspection</b>	Geotechnical Inspections	105,251	
		Geotechnical Inspections Add Services		
		Special Inspections		
		Special Inspections Add Services		
Waterproofing Inspections		175,000		
Misc. Sewer / Existing Utility		6,640		
Other		(430,054)	<i>Must specify - all CIP costs should be accounted for. (Note: adjustment to match soft costs with budget at time of construction contract award)</i>	
<b>Subtotal</b>	\$ 7,812,743			
<b>SOFT COST TOTAL</b>	\$ 7,812,743			
<b>CONSTRUCTION HARD COSTS</b>				
	Demolition			
	Construction	39,395,153		
	Other		<i>Must specify - all CIP costs should be accounted for.</i>	
<b>Subtotal</b>	\$ 39,395,153			
<b>Construction/Owner Contingency</b>	\$ 2,954,636	<i>This was reduced to 7.5%</i>		
<b>CONSTRUCTION HARD COST TOTAL</b>	\$ 42,349,789			
<b>ADMINISTRATIVE COSTS &amp; EXPENSES</b>				
<b>Marketing &amp; Operating</b>	Advertising & Printing	5,000		
	Community Events	5,000		
	Reimbursables	10,000		
	Blueprinting/FedEx/Etc.	5,000		
	Reimbursables		<i>Travel, meeting, and any other project associated reimbursable cost.</i>	
	Miscellaneous Expenses	5,000		
	Parking Mitigation & Temporary Parking Measures	239,020		
	Model/Trailer/Office			
	Temporary Services		<i>Must specify - all CIP costs should be accounted for.</i>	
	Other		<i>Must specify - all CIP costs should be accounted for.</i>	
<b>EXPENSES TOTAL</b>	\$ 269,020			
<b>PROJECT TOTAL</b>	\$ 50,431,552			
<b>SPECIAL FACTORS</b>				
<i>These are factors that need to be backed out of the Project Total for various reasons.</i>				
	Retail Space		<i>If retail space is added to the project scope the cost associated with building that space should NOT go into the calculation of the fee.</i>	
	Tenant Improvements			
	Solar Installation			
	Other		<i>Must specify - all CIP costs should be accounted for. Consult with Attorney's Office.</i>	
<b>SPECIAL FACTORS TOTAL</b>	\$ -			
<b>NET NEW SPACES ADDED CALC</b>				
	Total Number of Spaces in New Garage		<i>Motorcycle spaces should be included here based on the actual number of regular spaces they 627 occupy (e.g. there are 10 motorcycle spaces occupying 2 full size spaces then count as 2 spaces).</i>	
	New Garage Number of Retail or Other Designated Use Spaces			
	Original Lot/Garage Number of Spaces	152	<i>from Final EIR document</i>	
	<b>TOTAL NET NEW SPACES</b>	475		
<b>NEW IN-LIEU FEE</b>	Project Total / Total Net New Spaces	\$ 106,171		