



Agenda Report

19-1512

Agenda Date: 1/15/2019

REPORT TO COUNCIL

SUBJECT

Action on a resolution amend the FY 2018/19 Adopted Municipal Fee Schedule by Adding a Tasman East Specific Plan Fee

BACKGROUND

On November 13, 2018, the City Council approved the Tasman East Specific Plan (TESP) and certified the supporting Environmental Impact Report (EIR). The Tasman East Specific Plan process has been a key part of the City's overarching strategy for growth in the General Plan: to create focus areas, primarily in older industrial areas, where residential growth will be planned.

California Government Code section 65456 allows cities to recover costs for preparation, adoption, and administration of a Specific Plan, which includes preparation of the supporting EIR. The Government Code requires that the fee charged shall be a prorated amount in accordance with the applicant's relative benefit derived from the Specific Plan. New fees for service are generally applied as a part of the City Budget process, typically via the Municipal Fee Schedule as part of the annual budget adoption, except where unique fees are to be considered, as in this case. The Council may adopt a resolution to establish this requested fee outside of the normal budget process.

Government Code 66016(a) states that proposed fee information should be available to the public at least 10 days in advance of a public meeting on the topic. Current project applicants within the Tasman East Specific Plan area have been notified of the fee and had an opportunity to discuss the fee with City staff.

DISCUSSION

The Tasman East Specific Plan and the associated EIR contemplate the development of 4,500 residential units, up to 106,000 square feet of retail, and the possibility of a 600-student urban school. Staff is proposing to equitably assess costs related to the Specific Plan to developers within the Specific Plan area per residential unit. The commercial and school uses are considered appurtenant to the primary residential uses in the Tasman East area, and therefore are not a part of the basis for the Specific Plan fee. The proposed fee structure represents the most equitable division of costs to prepare the Specific Plan and EIR, given the plan's residential focus, and the value derived from the opportunity to construct new housing.

The costs associated with preparation of the Specific Plan and EIR include approximately \$1.14 million in contractual expenses for Perkins + Will and their subcontractors. Additionally, to account for staff costs associated with preparation of the Plan, \$73,441 in entitlement fees are included, which amount to the cost that would typically be assessed for General Plan and Zoning applications for a large project. This approximately \$1.21 million total is the maximum that would be collected under the Specific Plan Fee program. Given the 4,500 residential units analyzed as part of the EIR and the

cost of \$1,214,323 for the Specific Plan, the proposed fee is \$270 per unit.

In addition to the reimbursement for the Specific Plan, applicants within the Specific Plan area will pay application fees for the architectural review process, map procedures, and building permits that were not incorporated into the calculations for the Specific Plan Fee. Collection of the Specific Plan Fee would occur prior to issuance of an Architectural Review planning application approval and would be deposited and routed into the appropriate revenue accounts to reimburse the upfront costs associated with the Plan and EIR. The timing of the collection of the Specific Plan fee at the planning stage reflects the value of the Specific Plan and EIR, which creates a streamlined process for approval of planning applications.

Currently, there are development applications for a total of 3,450 units on file with the City, and collection of fees related to these applications would represent recovery of 77% of the cost of the Specific Plan. These parcels total approximately 26 of the 40 acres (65%) of the land available for development within the Tasman East area. The remaining 1,050 units analyzed under the EIR can be accommodated on the remaining development sites within the Specific Plan area, allowing the City to ultimately recover the full cost of preparing the Specific Plan and EIR.

If adopted, the Tasman East Specific Plan fee will be added to the adopted 2018-2019 Municipal Fee Schedule.

ENVIRONMENTAL REVIEW

Pursuant to Government Code 65456, the Specific Plan Fee enables the creation of the Tasman East Specific Plan, which was analyzed under the Tasman East Specific Plan EIR, adopted and certified by the City Council on November 13, 2018.

FISCAL IMPACT

By adding a Specific Plan Fee to the FY 2018/19 Adopted Municipal Fee Schedule allows reimbursement to the City for significant expenses (\$1,214,323) incurred in the creation of the Plan and associated EIR. The costs of creating and administering the fee are minimal in comparison with the revenues recouped.

COORDINATION

The Specific Plan Fee was coordinated with the City Attorney's Office and the Finance Department.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A notice was published in the Santa Clara Weekly on January 2, 2019 and January 9, 2019. Pursuant to Government Code Section 66016(a), information concerning the costs of the Specific Plan for which the fee is being levied was made available to the public at the City Clerk's Office on January 4, 2019. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Adopt a resolution amending the FY 2018/19 Adopted Municipal Fee Schedule by adding the Tasman East Specific Plan fee

Reviewed by: Andrew Crabtree, Director, Community Development Department

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Tasman East Specific Plan Fee Resolution
2. Government Code Section 65456
3. Municipal Fee Schedule Amendment Resolution

RESOLUTION NO. 19-8644

**A RESOLUTION OF THE CITY OF SANTA CLARA, CALIFORNIA
ESTABLISHING A SPECIFIC PLAN FEE FOR PROPERTIES
WITHIN THE TASMAN EAST SPECIFIC PLAN AREA BOUNDARY**

BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

WHEREAS, the City Council approved the Tasman East Specific Plan and certified a supporting Environmental Impact Report on November 13, 2018;

WHEREAS, the City defined the Tasman East Specific Plan area boundary to include properties bounded by Lafayette Street to the west, the Santa Clara Golf and Tennis Club to the north, Tasman Drive to the south and the Guadalupe River to the east; all Santa Clara County Assessor parcels identified in Book 097 Page 46, and a portion in Book 097 Page 05;

WHEREAS, the City now desires to establish a Specific Plan Fee for properties within the Tasman East Specific Plan area boundary;

WHEREAS, California Government Code Section 65456 states that a legislative body, after adopting a specific plan, may impose a specific plan fee upon persons seeking governmental approvals which are required to be consistent with the specific plan;

WHEREAS, the fees shall be established so that, in the aggregate, they defray but as estimated do not exceed, the cost of preparation, adoption, and administration of the specific plan, including costs incurred pursuant to the California Environmental Quality Act (CEQA);

WHEREAS, as nearly as can be estimated, the fee charged shall be a prorated amount in accordance with the applicant's relative benefit derived from the specific plan;

WHEREAS, the fee is imposed by the City to support government services and not for the purpose of providing a market-based fee for services that are also provided to the general public, the proposed fee is hereby determined to be reasonable in that it does not exceed the cost of preparation, adoption, and administration of the specific plan;

WHEREAS, in adopting the fee and this Resolution, the City is exercising its powers under Article XI, Section 7 of the California Constitution, Sections 50076 and 65456 of the California Government Code, its Charter, its City Code, and other applicable laws;

WHEREAS, timely notice of the January 15, 2019 public hearing was published in the Santa Clara Weekly on January 2, 2019 and January 9, 2019 in the manner set forth in Government Code Sections 6062a and 66018;

WHEREAS, information regarding this new fee was made available for public review and comment more than ten (10) days prior to the public hearing at which this Resolution was considered and adopted, by placing the draft resolution on the City's website and on file at the City Clerk's Office on January 4, 2019;

WHEREAS, notice of the public hearing was mailed to all persons requesting such notice pursuant to Government Code Section 66016; and

WHEREAS, on January 15, 2019, the City Council held a public hearing on the Specific Plan Fee.

NOW THEREFORE, BE IT FURTHER RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

1. That the City Council hereby finds that the above Recitals are true and correct and by this reference makes them a part hereof.
2. That the City recognizes that there are 4,500 residential units analyzed by the EIR within the plan area.
3. That the City intends to apportion costs on a per-unit basis.
4. That the total cost of preparation of the plan and associated EIR is \$1,214,323, which includes \$73,441 in entitlement fees that represent staff costs associated with the preparation of the plan and \$1,140,882 in consultant costs.
5. That the per unit cost for preparation of the Specific Plan is the total cost divided by the total number of units, or $\$1,214,323 / 4,500 \text{ units} = \269.85 per unit .

6. That the specific plan fee shall be paid for any development shall be paid prior to issuance of an approval by the Architectural Committee for said development.
7. That for development applications approved prior to the effective date of the Specific Plan fee, the property owner shall pay the fee within 60 days of the adoption date of this Specific Plan fee resolution.
8. That the specific plan fee will be adjusted for inflation annually, using the Consumer Price Index (CPI-U) for the San Francisco-Oakland-San Jose metropolitan statistical area, in conjunction with the annual fee schedule update. The fee will first be adjusted as of 2021.
9. Effective date. The Effective date for the Specific Plan Fee shall be sixty (60) days from adoption, pursuant to Government Code section 66017(a).

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE 15TH DAY OF January, 2019, BY THE FOLLOWING VOTE:

AYES:	COUNCILORS:	Chahal, Davis, Hardy, Mahan, O'Neill, and Watanabe and Mayor Gillmor
NOES:	COUNCILORS:	None
ABSENT:	COUNCILORS:	None
ABSTAINED:	COUNCILORS:	None

ATTEST:



NORA PIMENTEL, MMC
ASSISTANT CITY CLERK
CITY OF SANTA CLARA

Attachments incorporated by reference: None

RESOLUTION NO. 19-8645

**A RESOLUTION OF THE CITY OF SANTA CLARA, CALIFORNIA
AMENDING THE "CITY OF SANTA CLARA 2018-2019 MUNICIPAL
FEE SCHEDULE" TO ADD A SPECIFIC PLAN FEE FOR
PROPERTIES WITHIN THE TASMAN EAST SPECIFIC PLAN
AREA BOUNDARY**

BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

WHEREAS, on May 8, 2018, the City Council of the City of Santa Clara adopted Resolution Number 18-8518, approving the City of Santa Clara 2018-19 Municipal Fee Schedule;

WHEREAS, under the provisions of the City of Santa Clara City Code and Government Code, fees and charges assessed by the City of Santa Clara may be amended or modified upon the adoption of a Resolution by the City Council;

WHEREAS, the City Council approved the Tasman East Specific Plan and certified a supporting Environmental Impact Report on November 13, 2018;

WHEREAS, the City defined the Tasman East Specific Plan area boundary to include properties bounded by Lafayette Street to the west, the Santa Clara Golf and Tennis Club to the north, Tasman Drive to the south and the Guadalupe River to the east; all Santa Clara County Assessor parcels identified in Book 097 Page 46, and a portion in Book 097 Page 05;

WHEREAS, on January 15, 2019, the City Council established a Specific Plan Fee for properties within the Tasman East Specific Plan area boundary, and the City Council now wishes to modify the Municipal Fee Schedule to include this fee;

WHEREAS, in adopting the fee and this Resolution, the City is exercising its powers under Article XI, Section 7 of the California Constitution, Sections 50076 and 65456 of the California Government Code, its Charter, its City Code, and other applicable laws;

WHEREAS, timely notice of the January 15, 2019 public hearing was published in the Santa Clara Weekly on January 2, 2019 and January 9, 2019 in the manner set forth in Government Code Sections 6062a and 66018;

WHEREAS, information regarding this new fee was made available for public review and comment more than ten (10) days prior to the public hearing at which this Resolution was considered and adopted, by placing the draft resolution on the City's website and on file at the City Clerk's Office on January 4, 2019;

WHEREAS, notice of the public hearing was mailed to all persons requesting such notice pursuant to Government Code Section 66016; and

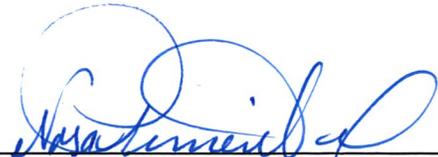
WHEREAS, on January 15, 2019, the City Council held a public hearing on the Specific Plan Fee.

NOW THEREFORE, BE IT FURTHER RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

1. That the 2018-19 Municipal Fee Schedule last adopted May 8, 2018 is hereby amended to add the Specific Plan Fee for the Tasman East Specific Plan Area Boundary.
2. Effective date. The Effective date for the Specific Plan Fee shall be sixty (60) days from adoption, pursuant to Government Code section 66017(a).

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE 15TH DAY OF January, 2019, BY THE FOLLOWING VOTE:

AYES:	COUNCILORS:	Chahal, Davis, Hardy, Mahan, O'Neill, and Watanabe and Mayor Gillmor
NOES:	COUNCILORS:	None
ABSENT:	COUNCILORS:	None
ABSTAINED:	COUNCILORS:	None

ATTEST: 

NORA PIMENTEL, MMC
ASSISTANT CITY CLERK
CITY OF SANTA CLARA

Attachments incorporated by reference: None