




City Council Meeting
Item #8 – 22-90
Public Hearing: Action on a Resolution and Ordinance for the Patrick Henry Drive Specific Plan Infrastructure Impact Fee
March 22, 2022

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Background
Infrastructure Fee Concept

- Establish an Infrastructure Impact Fee for equitable distribution of common infrastructure costs
- One-time fee charged to new residential or office development
- Fees used to finance capital facility/infrastructure costs
- Fees based on a reasonable relationship (i.e., nexus)
- Nexus Study - Economic & Planning Systems, Inc.

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Infrastructure Items

Improvements Total - \$103,658,040

- Sanitary sewer upgrades
- Water improvements (potable and recycled)
- Stormwater treatment facilities
- Roadway facilities (traffic improvements, traffic fair share payments, pavement repair, and new public access streets)
- Emergency response vehicle and tiller aerial ladder apparatus
- Entry monuments and signs

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Infrastructure Fee

Total Costs (FY 2021-2022 \$)

Fee Item	Cost (\$)
Improvements	\$103,658,040
Transportation Management Association Formation	\$150,000
2% annual staff fee administration*	\$2,076,161
Total	\$105,884,201

*\$69,205 annually for 30-years

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Infrastructure Fee

Fee Calculation		Amount
Total Common Infrastructure Cost	a	\$105,884,201
Number of New Residential Units	b	11,000*
Fee per New Residential Unit	$c = a / b$	\$9,626
Fee per New Office SF	Fee equivalency per nexus study	\$21

* Currently, developers/property owners have shown interest in a total of 11,000 units

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Infrastructure Fee

Additional Considerations

- Developers can build improvements and receive fee credits or reimbursement
- Adjust fee annually

Outreach & Coordination

- Close coordination with PHDSP developer representatives
- City website and outreach email to development community
- Property owner mailers
- Two newspaper notices

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Recommendation

1. Waive First Reading and Approve the Introduction of an Ordinance Amending Chapter 17.15 “Property Development” of Title 17 “Development” of the Santa Clara City Code to Add Section 17.15.360 “Patrick Henry Drive Infrastructure Improvement Fee”;
2. Adopt a Resolution Approving the Findings from the Patrick Henry Drive Specific Plan Infrastructure Impact Fee Nexus Study, Adopting the Nexus Study, and Setting the Rates for the Infrastructure Impact Fee;
3. Approve the Patrick Henry Drive Specific Plan Infrastructure Impact Fee; and adjust fees annually in line with the latest Construction Cost Index for San Francisco, as published by Engineering News Record or equivalent, to keep up with construction costs and inflation; and
4. Approve the establishment of the Patrick Henry Drive Infrastructure Improvement Fund (Fund 542) to account for the impact fee revenues and project expenditures.

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the Patrick Henry Drive
Specific Plan Infrastructure
Impact Fee**

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