

Responses to City Council Questions – April 14, 2026 Study Session

Citywide

1. **Comment/Question:** Is the penny shortage an issue if customers pay electronically?

Response: The City has seen a number of customers pay fees in cash. To ensure equity between payment methods given the discontinuation of the penny, staff has rounded all fees down to the nearest nickel.

2. **Comment/Question:** Need to ensure City staff are providing a high level of customer service.

Response: City staff remain dedicated to providing a very high level of customer service to all residents/businesses. The fees included in this schedule are meant to recover the costs of providing these services to allow the City to continue to offer these services.

Community Development

3. **Comment/Question:** Need to understand the impact of costs to develop and expand small businesses in the City.

Response: The Municipal Fee Schedule lists permitting fees which are based on the cost of city staff review as well as impact fees to utilities. Permitting fees are developed with the support of a fee consultant to be cost recovery with one exception. For the past several years, the City Council has adopted fee reductions for planning applications for single family homes, and those reductions are subsidized by the General Fund.

If a small business proposes exterior changes, there are Planning permit fees related to minor exterior changes (\$915), and permanent sign (\$316) or temporary sign permits (\$87). Small businesses who make improvements to an existing space take on interior tenant improvements. Cost of city permitting and impact fees can vary for small businesses based on business type, improvements proposed, total square footage, and age of the building. Staff reviewed recent projects to provide a sampling of fee ranges. The following types of small business tenant improvements were reviewed for total city fees paid: salon (\$21,604), restaurant (\$62,413), and small lab space (\$16,075). City fees include the cost of plan reviews by Building, Fire, Public Works, as well as applicable utility impact fees based on the project scope. Notably, of the \$62,413 in fees paid by the small business restaurant, approximately \$39,000 was for utility impact fees, specifically the sanitary sewer conveyance fee and wastewater treatment plant capacity fee. These utility impact fees were applicable specifically to the restaurant project, since it involved a change in use from retail to restaurant and increased the properties sewer discharge. This project was also permitted ahead of the recent sanitary sewer conveyance fee reduction, which City Council approved. If this restaurant project were to be permitted today, the sanitary sewer conveyance fee for this project would be approximately 25% less. If the small business moved into a space that already occupied a restaurant of the same size, then there would not be sanitary sewer conveyance fees or wastewater treatment plant capacity fees charged.

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Staff reached out to other cities in Santa Clara County, and none appear to provide reductions in permitting or impact fees for small businesses. Some cities offered grants to support discrete efforts around façade improvements or provided additional city resources to support small businesses through the permitting process. Staff is further researching other Bay Area cities, such as San Francisco that has a multi-year program to provide fee reductions to small businesses.

More time is requested to analyze small business permitting and impact fees. As mentioned, these fees are set to be cost recovery or based on impact to city utilities, thus any reduction in those fees would require an offset from the General Fund.

Parks and Recreation

4. **Comment/Question:** How will the proposed parking fees at Youth Soccer Park (YSP) and Reed & Grant Park work? Are there compliance issues with Measure R? There was also a comment regarding the need for outreach regarding these fees.

Response: Parking fees at YSP and Reed & Grant Park are fees that exist within the current fee schedule. The proposed addition would be an expansion of the existing structure to allow for more flexibility to align with market demand. If approved, these fees would only be implemented if the facilities are not in use and there is an event being held at Levi's Stadium. The City remains committed to prioritizing youth usage of the park facilities and will ensure that all youth soccer events at YSP and Reed & Grant will not be impacted by the implementation of these proposed fees. Revenue generated from YSP would be monitored, and staff recommend allocating those revenues to the maintenance and future turf replacement at YSP.

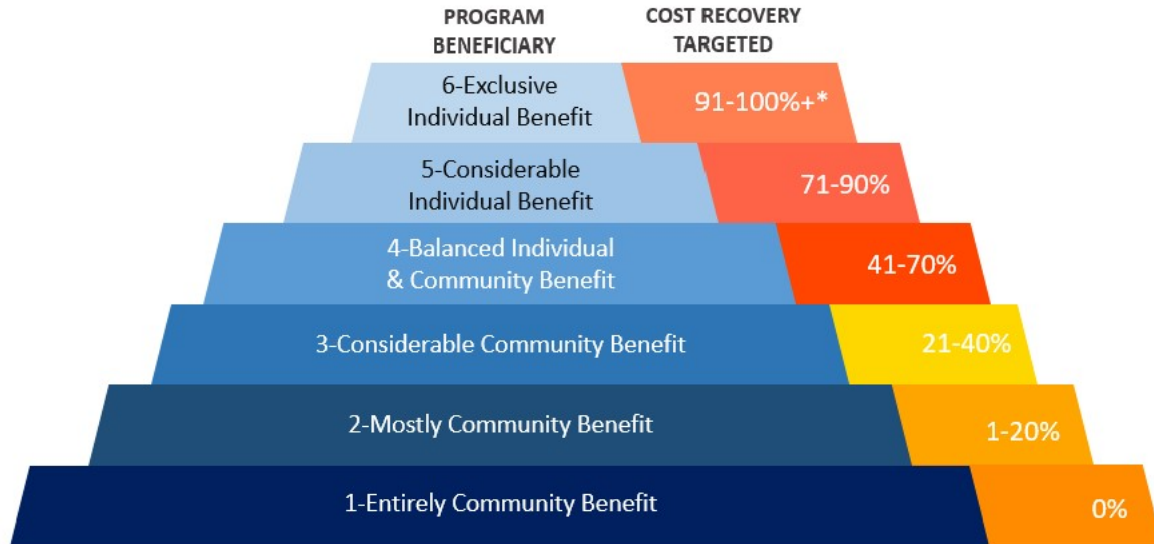
Staff do not expect any issues in terms of compliance with Measure R as the measure dictates a long-term lease (specifically over 180 days). These fees are anticipated to be used sporadically when the terms allow for these fees to be charged.

5. **Comment/Question:** What is the estimated annual impact of Park fee subsidies to the General Fund?

Response: It is common practice for local jurisdictions to subsidize Parks and Recreation functions. In the FY 2025/26 fee schedule, Parks and Recreation fees are estimated at \$3.73 million, reflecting an approximate cost recovery rate of 13%. This leaves the remaining \$25.16 million, or 87%, of the Parks and Recreation Department-related costs subsidized. These are consistent with the Parks and Recreation Cost Recovery Policy adopted by the City Council in FY 2022/23, which identified varying levels of cost recovery depending on the level of public benefit.

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Parks and Recreation Cost Recovery Policy



100%+ indicates minor exceptions where premiums above cost may be justified, such as market-based rents.

6. **Comment/Question:** Are fee deferrals for parks fees for developers included as part of this Fee Schedule?

Response: Fee deferrals are not included in this Fee Schedule. Updates to the parkland in-lieu fees are incorporated into the Fee Schedule. These fees are informed by changes to the average per-acre land values and park development costs per capita that are brought forward separately for Council approval (there is an item on the April 21, 2026 Council Agenda establishing these values for use in calculating the parkland in-lieu fees for FY 2026/27).

7. **Comment/Question:** Are deferrals similar to the proposed phase-in of fees?

Response: No, these items are not related. The proposed phase-in of increases is meant to mitigate the overall impact of significant fee changes. This was an approach that was approved by the City Council in FY 2022/23 for Fire Department fees for Construction and Operational Permits. There are eight phased-in fees, all residing under the Planning Division section of the schedule. These fees include the following:

- Reviews for Off-Site Parking
- Temporary Use Permit Application Reviews
- Architectural Review of Proposed Changes to Approved Projects
- City Review of EIR / Supplemental EIR
- Legislative Requirements:
 - AB 52 Tribal Consultation
 - SB 9 Review
 - SB 330 Review

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8. Comment/Question: What has been the coordination with community on youth sport fees?

Response: Parks and Recreation Department staff have been in open and continued communication with the community on sports and athletic facility usage. The field and turf reservation fees are not proposed to be changed in this fee schedule. The aquatics facility rental fees are proposed to be updated consistent with the planned adjustments described in the Report to Council 25-1641 (Action to Adopt Definitions for Aquatic Facility Use Categories; Priorities of Aquatics Facility Use; and a Resolution Amending the FY 2025/26 Municipal Fee Schedule) approved by the City Council on December 9, 2025.