



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