



# City of Sunnyvale

## Agenda Item

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**24-0114**

**Agenda Date: 2/15/2024**

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### 2024 COUNCIL STUDY ISSUE

#### **NUMBER**

DPW 24-03

**TITLE** Create a Council Policy Framework to Establish a Process for Evaluating Requests for City to Take Over Private Infrastructure Based on Potential Offers of Dedication in the Moffett Park Specific Plan Area

#### **BACKGROUND**

**Lead Department:**

Department of Public Works

**Support Departments:**

Office of the City Manager

Office of the City Attorney

Community Development Department

Environmental Services Department

Department of Finance

Department of Public Safety

**Sponsor(s):**

Councilmembers: Melton, Mehlinger, Cisneros, Din, Sell, Srinivasan, Klein

**History:**

1 year ago: N/A

2 years ago: N/A

#### **SCOPE OF THE STUDY**

##### **What precipitated this Study?**

At the July 25, 2023 City Council meeting, Councilmember Melton sponsored a Study Issue to create a policy/framework for the City to take over private infrastructure that may be dedicated to the City in the Moffett Park Specific Plan area, such as roads, water, sewer, and storm infrastructure, etc. This topic arose during consideration of the adoption of the Moffett Park Specific Plan by City Council on July 11, 2023.

##### **What are the key elements of the Study?**

The Study will develop a new Council policy framework that will outline the steps to be taken if the City receives an application requesting for the City to take over private infrastructure. This framework would outline the steps for City consideration of requested acceptance and could take shape in a form or checklist of materials needed to evaluate such an application request. Anticipated items could include:

- Feasibility analysis based on desktop and physical evaluation of the condition and estimated life remaining of the infrastructure.
- Physical evaluation of whether the improvements meet current City standards, and if not, what construction would be required to bring the improvements up to current standards.
- Fiscal impact report that would be prepared by a City consultant at the applicant's expense.

Items to be included within the fiscal impact report include: costs to bring improvements up to current standards, City's maintenance and operational costs, regulatory obligations which may be transferred to the City with the conversion of private infrastructure to public infrastructure and the additional long-term liabilities absorbing these facilities will have on the City's financial position. In particular, the implications of conversion of the storm drainage system and sewer system management plan for sewer system overflows would need to be carefully considered.

- Application processing fee to be levied by the City with the initial application intake.
- Flowchart and standard timeline for review of an application.
- Other items deemed prudent in the course of the Study.

Upon completion, staff would bring the results of the feasibility study to Council with a recommendation and/or conditions, if applicable. City Council would make the final determination as to whether to accept dedication, in whole or in part.

As part of new developments, the City routinely accepts new infrastructure dedications (e.g., sidewalks, streets, streetlights), but in those cases all of the components are designed and built to City standards and then inspected during construction. However, there is no such assurance that existing private infrastructure meets City standards. This would be reviewed in the feasibility analysis.

**Estimated years to complete study:** 1.5 years

#### **FISCAL IMPACT**

##### **Cost to Conduct Study**

Level of staff effort required (opportunity cost):	Major
Funding Required for Non-Budgeted Costs:	\$125,000
Funding Source:	Will seek budget supplement - General Fund

The costs associated with this Study will be for consultant services, which include review and coordination, review of similar policies in other jurisdictions, review of applicable Federal and State requirements, options to ensure that any needed improvements and upgrades are identified, and a clear process for evaluating the maintenance and operating costs.

##### **Cost to Implement Study Results**

A new policy/framework would be designed to be cost neutral to the City when applied to an offer to dedicate private infrastructure. Council Fiscal Policy, Enterprise Fund Policies 7.1I, Section I.1b.2 states, "New improvements or expanded capacity in any utility should be funded by those benefiting through specific charges, such as connection fees, impact fees, or mitigation fees."

#### **EXPECTED CITY COUNCIL, BOARD OR COMMISSION PARTICIPATION**

Council-Approved Work Plan: No

Council Study Session: Yes

Reviewed by Boards/Commissions: None

#### **STAFF RECOMMENDATION**

Support. This policy issue merits discussion at the 2024 Study Issues Workshop.

With the adoption of the Moffett Park Specific Plan, applications are already being received in advance of completion of the Moffett Park Implementation Plan. Setting a framework/policy for the process to evaluate possible future requests such as these will be necessary.

Prepared by: Arnold Chu, Assistant City Engineer

Reviewed by: Chip Taylor, Director, Department of Public Works

Reviewed by: Trudi Ryan, Director, Community Development Department

Reviewed by: Ramana Chinnakotla, Director, Environmental Services Department

Reviewed by: Sarah Johnson-Rios, Assistant City Manager

Approved by: Kent Steffens, City Manager