

# MEMORANDUM

Office of Chief Building Official



To: Tom Williams, City Manager

From: Keyvan Irannejad, Chief Building Official

Subject: **Proposed Fee Increase**

Date: February 24, 2009

## **Introduction:**

The Building and Safety Department is proposing an adjustment in its Fee Schedule. The Department's Fee Schedule received a major revision that was adopted in July 2004 and a minor revision in July 2006. The 2004 revision was intended to recover the Departments "fully burdened" hourly costs as determined by the City's Finance Department in order to comply with the Council's directive to assure recovery of "costs reasonably borne" found in Ordinance 164.2. This was accomplished by having the Department charge fees based upon the typical hours of service to be provided at the hourly cost of City staff to provide that service.

Each year our cost of service increases. Based upon information provided by the Finance Department, the hourly rate for a Building Inspector has increased from the current rate charged of \$120 per hour to \$138 per hour. The hourly rate for a Building Plan Check Engineer has increased from the current rate charged of \$138 per hour to \$151 per hour.

## **Survey of Fees for Surrounding Cities:**

A fee survey of surrounding cities was conducted. The survey identifies our existing and proposed fees and compares them to surrounding cities. Based on the results of the survey, Milpitas' position overall remains below average. *The survey is attached for your review.*

## **Proposal:**

It is proposed we increase our inspection fees by 15% and our plan check fees by 9.4% to recover our current "costs reasonably borne" as required by Ordinance 164.2. This will result in an average overall increase in our permit fees of 12%.

Not included in the fee increase are changes to permits to residential properties for replacing a water heater, replacing a furnace, replacing an air conditioner condenser, and residential or commercial Photovoltaic solar installation.

*A copy of the new fee schedule is attached for your review.*



# **CITY OF MILPITAS**

## **BUILDING AND SAFETY DEPARTMENT**

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# **PROPOSED FEE SCHEDULE**

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**Including Certain Plan Review Fees for Planning and Engineering Departments**

**EFFECTIVE \_\_\_\_\_, 2009**

**Adopted \_\_\_\_\_, 2009**

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# Fee Schedule

## Part I

### RESIDENTIAL

#### A. Notes for Residential Fees

- 1. Total Permit Fee:** The total permit fee is the sum of the plan check fee, inspection fee and other applicable charges or fees. Mechanical, electrical and plumbing plan review fees are included in plan check fees.
- 2. Minimum Fee:** The minimum fee is the fee shown for 100 sq. ft. or as indicated.
- 3. Increment Fee:** The increment fee is per 100 sq. ft. or fraction thereof.
- 4. Projects Larger Than 100 sq. ft. or as Indicated:** The fee is the sum of (1) the fee shown for the nearest sq. ft. (less than the project total) plus (2) the product of each additional 100 sq. ft. multiplied by the increment fee.
- 5. Single-Family and Two- Family fees:** All fees noted for single -family residential are also applicable to two-family residential
- 6. Multi-Family Residential:** See Part 2, Commercial/Industrial Fee Schedule (Hotels, Motels & Multi-Family Residential) for plan check and inspection fees.
- 7. New Single-Family and Multi-Family Residential Electrical, Mechanical and Plumbing Fees:** Fees are \$110.00 permit fee plus \$0.14/sf (single-family) or \$0.09 (multi-family) for electrical work as per Part 7, \$0.37 /sf (single-family) or \$0.25/sf (multi-family) for mechanical work as per Part 8, and \$0.14/sf (single-family) or \$0.09 (multi-family) for plumbing work as per Part 9. These square footages include both the MPE plan check and inspection.
- 8. Tract or Repetitive Construction Fees:**  
Plan Check Fees: 25% of original single-family or multi-family fee  
Inspection Fee: As noted on the published schedules

#### Example of Plan Check Fee:

Objective: Find the plan check fee for a 1,200 sq. ft. Custom 1-Story Residence, wood construction. (see bold cells.)

- Solution:
- Closest sq. ft. less than 1,200 is 1,000. Plan check fee base is thus \$1,434.00
  - Increment above 1,000 sq. ft. is 200 sq. ft. Incremental price is \$95.00 per 100 sq. ft., so product is  $2 \times \$95 = \$190.00$
  - Total plan check fee is  $\$1,434 + \$190 = \$1,624.00$

# Fee Schedule Part I RESIDENTIAL

## B. New Residential

<b>Custom One-Story</b>
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Sq Ft	Plan Check Fee	increments	Inspection Fee	increments
1,000	\$1,434	\$95	\$2,208	\$161
1,500	\$1,910	\$86	\$3,015	\$145
2,000	\$2,338	\$77	\$3,742	\$131
2,500	\$2,723	\$69	\$4,395	\$118
3,000	\$3,070	\$62	\$4,984	\$106
4,000	\$3,693	\$56	\$6,043	\$95
5,000	\$4,256	\$51	\$6,997	\$86
10,000	\$6,783	\$45	\$11,287	\$77
15,000	\$9,057	\$38	\$15,149	\$56

<b>Custom Two-Story</b>
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Sq Ft	Plan Check Fee	increments	Inspection Fee	increments
1,000	\$1,578	\$105	\$2,429	\$178
1,500	\$2,100	\$94	\$3,317	\$160
2,000	\$2,572	\$85	\$4,116	\$144
2,500	\$2,995	\$76	\$4,835	\$129
3,000	\$3,377	\$69	\$5,483	\$117
4,000	\$4,063	\$62	\$6,648	\$105
5,000	\$4,681	\$56	\$7,697	\$94
10,000	\$7,461	\$50	\$12,416	\$85
15,000	\$9,963	\$40	\$16,664	\$59

<b>Tract Models One-Story</b>
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Sq Ft	Plan Check Fee	increments	Inspection Fee	increments
1,000	\$1,510	\$101	\$2,346	\$163
1,500	\$2,016	\$91	\$3,160	\$146
2,000	\$2,471	\$82	\$3,892	\$132
2,500	\$2,881	\$74	\$4,551	\$119
3,000	\$3,250	\$66	\$5,144	\$107
4,000	\$3,914	\$60	\$6,211	\$96
5,000	\$4,512	\$54	\$7,172	\$86
6,000	\$5,050	\$29	\$8,037	\$60

**Fee Schedule  
Part I  
RESIDENTIAL**

<b>Tract Models Two-Story</b>					
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Sq Ft	Plan Check Fee	increments	Inspection Fee	increments
1,000	\$1,661	\$111	\$2,581	\$179
1,500	\$2,217	\$100	\$3,475	\$161
2,000	\$2,719	\$90	\$4,281	\$145
2,500	\$3,169	\$81	\$5,006	\$130
3,000	\$3,575	\$73	\$5,658	\$117
4,000	\$4,306	\$66	\$6,832	\$106
5,000	\$4,963	\$59	\$7,889	\$95
6,000	\$5,555	\$43	\$8,840	\$65

**C. Remodel/Addition**

<b>One-Story</b>					
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Sq Ft	Plan Check Fee	increments	Inspection Fee	increments
100	\$159		\$193	
200	\$254		\$354	
300	\$349		\$515	
400	\$635	\$135	\$965	\$230
500	\$770	\$122	\$1,195	\$207
1,000	\$1,381	\$110	\$2,229	\$186
1,500	\$1,932	\$99	\$3,160	\$168
2,000	\$2,427	\$89	\$3,997	\$151
2,500	\$2,873	\$90	\$4,751	\$136
3,000	\$3,321	\$67	\$5,429	\$108

<b>Two-Story</b>					
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Sq Ft	Plan Check Fee	increments	Inspection Fee	increments
200	\$317		\$580	
300	\$422		\$745	
400	\$752	\$150	\$1,301	\$235
500	\$901	\$135	\$1,536	\$212
1,000	\$1,574	\$121	\$2,598	\$191
1,500	\$2,179	\$109	\$3,554	\$172
2,000	\$2,724	\$98	\$4,414	\$155
2,500	\$3,214	\$88	\$5,188	\$139
3,000	\$3,656	\$78	\$5,885	\$116

## Fee Schedule Part I RESIDENTIAL

### D. Combination Permits

Combination Permit Type	Plan Check Fee	MPE Combined Fee	Inspection Fee	Total Fee
Attached Garage-1 to 3 cars	\$453	\$0	\$276	\$729
Bathroom Remodel	\$131	\$115	\$276	\$522
Kitchen Remodel	\$131	\$115	\$276	\$522
Kitchen + 1 Bath Remodel	\$197	\$138	\$414	\$749
Stnd Patio Encl/Sun Room	\$197	\$138	\$351	\$686
Engrd Patio Encl/Sun Room	\$230	\$138	\$351	\$719
Garage conversion	\$197	\$138	\$351	\$686
Green House	\$197	\$0	\$351	\$548
Patio Cover	\$197	\$0	\$351	\$548
Detached Garage or Shed	\$197	\$69	\$351	\$617
Window, Skylight or Doors	\$131	\$0	\$276	\$407
Additional Bathroom	\$0	\$115	\$276	\$391

### E. Miscellaneous Construction

Permit Type	Plan Check Fee	MPE Combined Fee	Inspection Fee	Total Fee
Fences more than 6' high*	\$131	\$0	\$138	\$269
Sound Wall	\$302	\$0	\$414	\$716
Structural Roof Conversions	\$.44/sf	\$0	\$.69/sf	\$ 1.00/sf
AC Condenser Replacement	\$0	\$0	\$141	\$141
Furnace Replacement	\$0	\$0	\$141	\$141
Water Heater Replacement	\$0	\$0	\$141	\$141
Solar Panels (PV or Water)*	\$138	\$141	\$120	\$399
Solar Panels (PV or Water) without structural design*	\$0	\$141	\$0	\$141
Fireplace reconstruction	\$0	\$0	\$276	\$276
Siding/stucco	\$0	\$0	\$276	\$276
Seismic Strengthening	\$0	\$0	\$276	\$276

\*Fee listed is limited to single-family and two-family residences

### F. Miscellaneous Fees

◆ Change of Address, per request	\$350
◆ Extension of Plan Check	\$27
◆ Extension of Building Permit	\$27
◆ Records Research	\$22
◆ Records Research with Documentation, per Address	\$44

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# Fee Schedule Part I RESIDENTIAL

## F. Miscellaneous Fees (continued)

◆ Microfilming	
Document size 8 1/2 x 11	
1st 10 documents	\$1/ea
additional documents	\$.50/ea
Documents size 8 1/2 x 14 or larger	\$4/ea
◆ Report of Monthly or Yearly Building Permit Activity (no charge to public agencies)	38.00
◆ Reprinting of lost Building Permit cards	22.00
◆ Alternative Materials or Methods of Construction	350.00
◆ Strong Motion instrumentation and Seismic Hazard Mapping Fees (State Fees):	
Category 1-Residential, 1st to 3rd Story: Valuation x 0.0001= Fee (Min. Fee is \$.50)	
Category 2-All Other Buildings: Valuation x 0.00021= Fee (Min. Fee is \$.50)	
◆ *Permitting Automation Fee	2.5% of total permit fee

## G. Other Plan Check, Inspection and Permit Fees

◆ Plan Check, Title 24 Energy Conservation	10% of Plan Check Fee
◆ After Hours Plan Check (2 hr. min.)	\$454
◆ After Hours Inspection (2 hr. min.)	\$414
◆ Plan Check Revisions (2 hr. min.)	\$302
◆ Resale Inspection	\$299
◆ Fire Damage Inspection (2 hr. min.)	\$276
◆ Inspection Investigation Fee (construction w/o permits, per MMC)	100% of Inspection Fee
◆ Reinspection	\$104
◆ Demolition Permit	\$138
◆ Residential Re-roofing Permit, Single-Family	\$368
◆ Residential Re-roofing Permit, Multi-Family (per each building)	\$518

## H. Hourly Rates, Special Services and Fee Adjustments

### ◆ Building Inspection Division:

Fees Based on Hourly Rates: When the nature of work precludes assessment of fees based on the square footage method, plan check fees and/or inspections shall be charged on an hourly rate basis.

Hourly Rates: When hourly rates are used to assess fees, the rates shall be as follows:

Clerical and Permit Technician	\$110/hr
Building Inspector	\$138/hr
Plan Checker	\$131/hr
Plan Check Engineer	\$151/hr

Overtime Hourly Rates: When plan checks or inspections are performed on an overtime basis request of an applicant, overtime rates shall be as follows:

Clerical and Permit Technician	\$165/hr
Building Inspector	\$207/hr
Plan Checker	\$197/hr
Plan Check Engineer	\$227/hr

**Fee Schedule  
Part I  
RESIDENTIAL**

(continued next page)

**H. Hourly Rates, Special Services and Fee Adjustments (continued)**

- ◆ **Planning Division** (for projects that have not established a Private Job account)
  - Review of modifications to single-family residential projects, not in hillside areas \$76
  - Review of modifications to single-family residential projects, hillside areas \$151
  - All other permit application reviews (1/2 hr. minimum) \$151/hr
  
- ◆ **Engineering Division** (for projects that have not established a Private Job account)
  - Review of modifications to single-family residential projects \$109
  - All other permit application reviews \$151/hr

- ◆ **Special Services and Fee Adjustments**

Special Services: When the Building Inspection Division provides requested or necessary services that are not included in this Fee Schedule, the Chief Building Official may assess and collect such fees that are reasonably necessary to defray the cost of such services.

Fee Adjustments: In instances where the strict application of fees from this schedule would constitute a substantial inequity to an applicant or to the City, the Chief Building Official shall be authorized to adjust such fees on a case-by-case basis. Any such adjustments shall be recorded in writing and entered into the appropriate files.

**Fee Schedule**  
**Part 2**  
**COMMERCIAL/INDUSTRIAL**

**A. Notes for Commercial/Industrial Fees:**

1. **Total Permit Fee:** The total permit fee is the sum of the plan check fee, inspection fee and other applicable fees. Mechanical, electrical and plumbing review fees are not included in plan check fees.
2. **Minimum Fee:** The minimum fee is the fee shown for 1,000 sq. ft.
3. **Increment Fee:** The increment fee is per 100 sq. ft. or fraction thereof.
4. **Projects Larger Than 1000 sq. ft. or as Indicated:** The fee is the sum of (1) the fee shown for the nearest sq. ft. (less than the project total) plus (2) the product of each additional 100 sq. ft. multiplied by the increment fee.
5. **Issuance Fee:** When more than one specialty permit (mechanical, electrical and plumbing) is concurrently issued to one applicant, only one issuance fee of \$ 110.00 will be charged.
6. **Electrical, Mechanical and Plumbing Fees, Hotels and Motels:** These fees shall be tabulated using a unit count of fixtures, equipment, appliances and items from Parts 7, 8 and 9 Schedules.
7. **Fee Selection:** For the purpose of selecting appropriate fees in this schedule, the main exterior wall materials shall be used to determine whether fees for "wood" (Type V bldgs), "concrete" (type III bldgs), or "steel" (Type II bldgs) are to be used. Fees for improvements to existing buildings shall likewise be based on the main exterior wall material.

**Example of Plan Check Fee:**

Objective: Find the plan check fee for a 1,200 sq. ft. Commercial or Industrial Shell Building project with wood construction. (see bold cells.)

Solution: a. Closest sq. ft. less than 1,200 is 1,000. Plan check fee base is thus \$2,281.00

b. Increment above 1,000 sq. ft. is 200 sq. ft. Incremental price is \$57.00 per 100 sq. ft., so product is  $2 \times \$57 = \$114.00$

c. Total plan check fee is  $\$2,281 + \$114 = \$2,395.00$

**Fee Schedule  
Part 2  
COMMERCIAL/INDUSTRIAL**

**B. NEW SHELL BUILDINGS**

<b>SHELL</b>												
	<b>WOOD</b>		<b>CONCRETE</b>		<b>STEEL</b>		<b>WOOD</b>		<b>CONCRETE</b>		<b>STEEL</b>	
<b>SQ. FT.</b>	Plan Check Fee	increments	Plan Check Fee	increments	Plan Check Fee	increments	Inspection Fee	increments	Inspection Fee	increments	Inspection Fee	increments
1,000	\$ 2,281	\$ 57	\$ 2,630	\$ 66	2608	\$ 62	\$ 1,095	\$ 23	\$ 930	\$ 18	\$ 769	\$ 14
5,000	\$ 4,570	\$ 52	\$ 5,262	\$ 59	5083	\$ 56	\$ 2,020	\$ 21	\$ 1,668	\$ 17	\$ 1,337	\$ 13
10,000	\$ 7,145	\$ 46	\$ 8,222	\$ 53	7868	\$ 50	\$ 3,061	\$ 19	\$ 2,498	\$ 15	\$ 1,976	\$ 11
15,000	\$ 9,463	\$ 42	\$ 10,887	\$ 48	10374	\$ 45	\$ 3,998	\$ 17	\$ 3,245	\$ 13	\$ 2,550	\$ 10
20,000	\$ 11,549	\$ 38	\$ 13,285	\$ 43	12629	\$ 41	\$ 4,842	\$ 15	\$ 3,917	\$ 12	\$ 3,068	\$ 9
35,000	\$ 17,181	\$ 34	\$ 19,760	\$ 39	18719	\$ 37	\$ 7,119	\$ 14	\$ 5,733	\$ 11	\$ 4,465	\$ 8
50,000	\$ 22,250		\$ 25,587		24200		\$ 9,168		\$ 7,366		\$ 5,722	

**C. TENANT or INTERIOR IMPROVEMENT**

<b>OFFICE-T.I.</b>												
	<b>WOOD</b>		<b>CONCRETE</b>		<b>STEEL</b>		<b>WOOD</b>		<b>CONCRETE</b>		<b>STEEL</b>	
<b>SQ. FT.</b>	Plan Check Fee	increments	Plan Check Fee	increments	Plan Check Fee	increments	Inspection Fee	increments	Inspection Fee	increments	Inspection Fee	increments
1,000	\$ 780	\$ 32	\$ 808	\$ 37	\$ 808	\$ 37	\$ 1,228	\$ 22	\$ 1,066	\$ 18	\$ 1,051	\$ 15
5,000	\$ 2,047	\$ 29	\$ 2,281	\$ 33	\$ 2,281	\$ 33	\$ 2,122	\$ 20	\$ 1,786	\$ 16	\$ 1,664	\$ 14
10,000	\$ 3,472	\$ 26	\$ 3,937	\$ 30	\$ 3,937	\$ 30	\$ 3,128	\$ 18	\$ 2,596	\$ 15	\$ 2,353	\$ 12
15,000	\$ 4,755	\$ 23	\$ 5,428	\$ 27	\$ 5,428	\$ 27	\$ 4,034	\$ 16	\$ 3,325	\$ 13	\$ 2,973	\$ 11
20,000	\$ 5,909	\$ 21	\$ 6,770	\$ 24	\$ 6,770	\$ 24	\$ 4,849	\$ 15	\$ 3,981	\$ 12	\$ 3,531	\$ 10
35,000	\$ 9,026	\$ 19	\$ 10,392	\$ 22	\$ 10,392	\$ 22	\$ 7,049	\$ 13	\$ 5,752	\$ 11	\$ 5,038	\$ 9
50,000	\$ 11,832		\$ 13,652		\$ 13,652		\$ 9,029		\$ 7,346		\$ 6,395	

**Fee Schedule  
Part 2  
COMMERCIAL/INDUSTRIAL**

**C. TENANT or INTERIOR IMPROVEMENT**

<b>CHURCH-T.I.</b>												
<b>SQ. FT.</b>	<b>WOOD</b>		<b>CONCRETE</b>		<b>STEEL</b>		<b>WOOD</b>		<b>CONCRETE</b>		<b>STEEL</b>	
	Plan Check Fee	increments	Plan Check Fee	increments	Plan Check Fee	increments	Inspection Fee	increments	Inspection Fee	increments	Inspection Fee	increments
1,000	\$ 1,587	\$ 68	\$ 1,752	\$ 71	\$ 1,747	\$ 70	\$ 1,649	\$ 48	\$ 1,354	\$ 45	\$ 1,058	\$ 41
5,000	\$ 4,316	\$ 61	\$ 4,584	\$ 64	\$ 4,545	\$ 63	\$ 3,585	\$ 44	\$ 3,151	\$ 40	\$ 2,712	\$ 37
10,000	\$ 7,387	\$ 55	\$ 7,770	\$ 57	\$ 7,693	\$ 57	\$ 5,763	\$ 39	\$ 5,173	\$ 36	\$ 4,573	\$ 34
15,000	\$ 10,151	\$ 50	\$ 10,638	\$ 52	\$ 10,526	\$ 51	\$ 7,723	\$ 35	\$ 6,993	\$ 33	\$ 6,248	\$ 30
20,000	\$ 12,638	\$ 45	\$ 13,219	\$ 46	\$ 13,075	\$ 46	\$ 9,487	\$ 32	\$ 8,631	\$ 29	\$ 7,756	\$ 27
35,000	\$ 19,353	\$ 40	\$ 20,187	\$ 42	\$ 19,959	\$ 41	\$ 14,251	\$ 29	\$ 13,053	\$ 27	\$ 11,826	\$ 24
50,000	\$ 25,397		\$ 26,458		\$ 26,155		\$ 18,538		\$ 17,033		\$ 15,489	

<b>RESTAURANT-T.I.</b>												
<b>SQ. FT.</b>	<b>WOOD</b>		<b>CONCRETE</b>		<b>STEEL</b>		<b>WOOD</b>		<b>CONCRETE</b>		<b>STEEL</b>	
	Plan Check Fee	increments	Plan Check Fee	increments	Plan Check Fee	increments	Inspection Fee	increments	Inspection Fee	increments	Inspection Fee	increments
1,000	\$ 1,669	\$ 83	\$ 1,718	\$ 92	\$ 1,718	\$ 92	\$ 1,858	\$ 61	\$ 1,701	\$ 58	\$ 1,671	\$ 52
5,000	\$ 4,990	\$ 75	\$ 5,391	\$ 83	\$ 5,391	\$ 83	\$ 4,309	\$ 55	\$ 4,013	\$ 52	\$ 3,763	\$ 47
10,000	\$ 8,727	\$ 67	\$ 9,524	\$ 74	\$ 9,524	\$ 74	\$ 7,065	\$ 50	\$ 6,613	\$ 47	\$ 6,117	\$ 42
15,000	\$ 12,090	\$ 61	\$ 13,244	\$ 67	\$ 13,244	\$ 67	\$ 9,546	\$ 45	\$ 8,954	\$ 42	\$ 8,236	\$ 38
20,000	\$ 15,116	\$ 54	\$ 16,591	\$ 60	\$ 16,591	\$ 60	\$ 11,779	\$ 40	\$ 11,060	\$ 38	\$ 10,143	\$ 34
35,000	\$ 23,288	\$ 49	\$ 25,629	\$ 54	\$ 25,629	\$ 54	\$ 17,807	\$ 36	\$ 16,748	\$ 34	\$ 15,291	\$ 31
50,000	\$ 30,643		\$ 33,764		\$ 33,764		\$ 23,233		\$ 21,866		\$ 19,925	

**Fee Schedule  
Part 2  
COMMERCIAL/INDUSTRIAL**

**C. TENANT or INTERIOR IMPROVEMENT**

<b>EDUCATION T.I.</b>												
<b>SQ. FT.</b>	<b>WOOD</b>		<b>CONCRETE</b>		<b>STEEL</b>		<b>WOOD</b>		<b>CONCRETE</b>		<b>STEEL</b>	
	Plan Check Fee	increments	Plan Check Fee	increments	Plan Check Fee	increments	Inspection Fee	increments	Inspection Fee	increments	Inspection Fee	increments
1,000	\$ 1,537	\$ 59	\$ 1,569	\$ 65	\$ 1,585	\$ 68	\$ 1,843	\$ 59	\$ 1,671	\$ 52	\$ 1,383	\$ 50
5,000	\$ 3,910	\$ 53	\$ 4,166	\$ 58	\$ 4,300	\$ 61	\$ 4,186	\$ 53	\$ 3,763	\$ 47	\$ 3,395	\$ 45
10,000	\$ 6,579	\$ 48	\$ 7,088	\$ 53	\$ 7,354	\$ 55	\$ 6,822	\$ 47	\$ 6,117	\$ 42	\$ 5,659	\$ 41
15,000	\$ 8,981	\$ 43	\$ 9,718	\$ 47	\$ 10,102	\$ 49	\$ 9,194	\$ 43	\$ 8,236	\$ 38	\$ 7,696	\$ 37
20,000	\$ 11,142	\$ 39	\$ 12,085	\$ 43	\$ 12,576	\$ 45	\$ 11,329	\$ 38	\$ 10,143	\$ 34	\$ 9,530	\$ 33
35,000	\$ 16,979	\$ 35	\$ 18,475	\$ 38	\$ 19,256	\$ 40	\$ 17,094	\$ 35	\$ 15,291	\$ 31	\$ 14,480	\$ 30
50,000	\$ 22,233		\$ 24,227		\$ 25,267		\$ 22,282		\$ 19,925		\$ 18,935	

<b>CLINICS T.I.</b>												
<b>SQ. FT.</b>	<b>WOOD</b>		<b>CONCRETE</b>		<b>STEEL</b>		<b>WOOD</b>		<b>CONCRETE</b>		<b>STEEL</b>	
	Plan Check Fee	increments	Plan Check Fee	increments	Plan Check Fee	increments	Inspection Fee	increments	Inspection Fee	increments	Inspection Fee	increments
1,000	\$ 1,483	\$ 77	\$ 1,509	\$ 81	\$ 1,509	\$ 81	\$ 1,912	\$ 71	\$ 1,619	\$ 68	\$ 1,470	\$ 66
5,000	\$ 4,555	\$ 69	\$ 4,767	\$ 73	\$ 4,767	\$ 73	\$ 4,752	\$ 64	\$ 4,333	\$ 61	\$ 4,108	\$ 59
10,000	\$ 8,011	\$ 62	\$ 8,432	\$ 66	\$ 8,432	\$ 66	\$ 7,946	\$ 57	\$ 7,386	\$ 55	\$ 7,076	\$ 53
15,000	\$ 11,121	\$ 56	\$ 11,730	\$ 59	\$ 11,730	\$ 59	\$ 10,820	\$ 52	\$ 10,134	\$ 49	\$ 9,747	\$ 48
20,000	\$ 13,921	\$ 50	\$ 14,699	\$ 53	\$ 14,699	\$ 53	\$ 13,408	\$ 47	\$ 12,607	\$ 45	\$ 12,151	\$ 43
35,000	\$ 21,479	\$ 45	\$ 22,714	\$ 48	\$ 22,714	\$ 48	\$ 20,393	\$ 42	\$ 19,285	\$ 40	\$ 18,642	\$ 39
50,000	\$ 28,281		\$ 29,928		\$ 29,928		\$ 26,680		\$ 25,295		\$ 24,483	

**Fee Schedule  
Part 2  
COMMERCIAL/INDUSTRIAL**

**C. TENANT or INTERIOR IMPROVEMENT**

<b>RETAIL STORES-T.I.</b>																		
	<b>WOOD</b>			<b>CONCRETE</b>			<b>STEEL</b>			<b>WOOD</b>			<b>CONCRETE</b>			<b>STEEL</b>		
<b>SQ. FT.</b>	Plan Check	increments		Plan Check	increments		Plan Check	increments		Inspection	increments		Inspection	increments		Inspection	increments	
	Fee			Fee			Fee			Fee			Fee			Fee		
1,000	\$ 1,093	\$ 34		\$ 1,130	\$ 40		\$ 1,112	\$ 37		\$ 1,301	\$ 36		\$ 1,303	\$ 36		\$ 1,006	\$ 32	
5,000	\$ 2,443	\$ 30		\$ 2,744	\$ 36		\$ 2,599	\$ 33		\$ 2,723	\$ 32		\$ 2,739	\$ 32		\$ 2,289	\$ 29	
10,000	\$ 3,962	\$ 27		\$ 4,560	\$ 33		\$ 4,272	\$ 30		\$ 4,323	\$ 29		\$ 4,353	\$ 29		\$ 3,733	\$ 26	
15,000	\$ 5,329	\$ 25		\$ 6,195	\$ 29		\$ 5,778	\$ 27		\$ 5,763	\$ 26		\$ 5,806	\$ 26		\$ 5,032	\$ 23	
20,000	\$ 6,559	\$ 22		\$ 7,665	\$ 26		\$ 7,133	\$ 24		\$ 7,058	\$ 23		\$ 7,114	\$ 24		\$ 6,202	\$ 21	
35,000	\$ 9,881	\$ 20		\$ 11,637	\$ 24		\$ 10,792	\$ 22		\$ 10,556	\$ 21		\$ 10,646	\$ 21		\$ 9,359	\$ 19	
50,000	\$ 12,870			\$ 15,211			\$ 14,084			\$ 13,705			\$ 13,824			\$ 12,200		

<b>MANUFACTURE NON-HAZARDOUS-T.I.</b>																		
	<b>WOOD</b>			<b>CONCRETE</b>			<b>STEEL</b>			<b>WOOD</b>			<b>CONCRETE</b>			<b>STEEL</b>		
<b>SQ. FT.</b>	Plan Check	increments		Plan Check	increments		Plan Check	increments		Inspection	increments		Inspection	increments		Inspection	increments	
	Fee			Fee			Fee			Fee			Fee			Fee		
1,000	\$ 1,039	\$ 24		\$ 1,334	\$ 23		\$ 1,335	\$ 23		\$ 1,233	\$ 23		\$ 937	\$ 20		\$ 928	\$ 18	
5,000	\$ 1,998	\$ 22		\$ 2,244	\$ 20		\$ 2,255	\$ 21		\$ 2,158	\$ 21		\$ 1,719	\$ 18		\$ 1,648	\$ 16	
10,000	\$ 3,076	\$ 19		\$ 3,268	\$ 18		\$ 3,290	\$ 19		\$ 3,199	\$ 19		\$ 2,599	\$ 16		\$ 2,458	\$ 15	
15,000	\$ 4,047	\$ 17		\$ 4,189	\$ 17		\$ 4,221	\$ 17		\$ 4,136	\$ 17		\$ 3,392	\$ 14		\$ 3,187	\$ 13	
20,000	\$ 4,921	\$ 16		\$ 5,018	\$ 15		\$ 5,059	\$ 15		\$ 4,980	\$ 15		\$ 4,105	\$ 13		\$ 3,843	\$ 12	
35,000	\$ 7,279	\$ 14		\$ 7,256	\$ 13		\$ 7,321	\$ 14		\$ 7,257	\$ 14		\$ 6,030	\$ 12		\$ 5,614	\$ 11	
50,000	\$ 9,402			\$ 9,271			\$ 9,358			\$ 9,306			\$ 7,762			\$ 7,208		

**Fee Schedule  
Part 2  
COMMERCIAL/INDUSTRIAL**

**C. TENANT or INTERIOR IMPROVEMENT**

<b>MANUFACTURE HAZARDOUS-T.I.</b>												
<b>SQ. FT.</b>	<b>WOOD</b>		<b>CONCRETE</b>		<b>STEEL</b>		<b>WOOD</b>		<b>CONCRETE</b>		<b>STEEL</b>	
	Plan Check Fee	increments	Plan Check Fee	increments	Plan Check Fee	increments	Inspection Fee	increments	Inspection Fee	increments	Inspection Fee	increments
1,000	\$ 1,676	\$ 30	\$ 1,973	\$ 29	\$ 1,973	\$ 29	\$ 1,474	\$ 17	\$ 1,193	\$ 16	\$ 1,054	\$ 16
5,000	\$ 2,875	\$ 27	\$ 3,138	\$ 26	\$ 3,138	\$ 26	\$ 2,149	\$ 15	\$ 1,832	\$ 14	\$ 1,684	\$ 14
10,000	\$ 4,223	\$ 24	\$ 4,447	\$ 24	\$ 4,447	\$ 24	\$ 2,908	\$ 14	\$ 2,551	\$ 13	\$ 2,393	\$ 13
15,000	\$ 5,436	\$ 22	\$ 5,626	\$ 21	\$ 5,626	\$ 21	\$ 3,592	\$ 12	\$ 3,199	\$ 12	\$ 3,032	\$ 11
20,000	\$ 6,528	\$ 20	\$ 6,687	\$ 19	\$ 6,687	\$ 19	\$ 4,207	\$ 11	\$ 3,781	\$ 10	\$ 3,606	\$ 10
35,000	\$ 9,477	\$ 18	\$ 9,551	\$ 17	\$ 9,551	\$ 17	\$ 5,868	\$ 10	\$ 5,355	\$ 9	\$ 5,157	\$ 9
50,000	\$ 12,131		\$ 12,129		\$ 12,129		\$ 7,363		\$ 6,770		\$ 6,553	

**D. NEW BUILDINGS**

<b>THEATER</b>												
<b>SQ. FT.</b>	<b>WOOD</b>		<b>CONCRETE</b>		<b>STEEL</b>		<b>WOOD</b>		<b>CONCRETE</b>		<b>STEEL</b>	
	Plan Check Fee	increments	Plan Check Fee	increments	Plan Check Fee	increments	Inspection Fee	increments	Inspection Fee	increments	Inspection Fee	increments
1,000	\$ 1,693	\$ 60	\$ 1,719	\$ 65	\$ 1,719	\$ 65	\$ 1,688	\$ 56	\$ 1,375	\$ 49	\$ 1,238	\$ 49
5,000	\$ 4,100	\$ 54	\$ 4,317	\$ 58	\$ 4,317	\$ 58	\$ 3,911	\$ 50	\$ 3,329	\$ 44	\$ 3,196	\$ 44
10,000	\$ 6,807	\$ 49	\$ 7,239	\$ 53	\$ 7,239	\$ 53	\$ 6,411	\$ 45	\$ 5,527	\$ 40	\$ 5,400	\$ 40
15,000	\$ 9,244	\$ 44	\$ 9,869	\$ 47	\$ 9,869	\$ 47	\$ 8,661	\$ 40	\$ 7,506	\$ 36	\$ 7,382	\$ 36
20,000	\$ 11,437	\$ 39	\$ 12,236	\$ 43	\$ 12,236	\$ 43	\$ 10,686	\$ 36	\$ 9,286	\$ 32	\$ 9,167	\$ 32
35,000	\$ 17,358	\$ 36	\$ 18,626	\$ 38	\$ 18,626	\$ 38	\$ 16,153	\$ 33	\$ 14,094	\$ 29	\$ 13,985	\$ 29
50,000	\$ 22,687		\$ 24,378		\$ 24,378		\$ 21,074		\$ 18,420		\$ 18,322	

**Fee Schedule  
Part 2  
COMMERCIAL/INDUSTRIAL**

**D. NEW BUILDINGS**

<b>GAS STATION</b>												
<b>SQ. FT.</b>	<b>WOOD</b>		<b>CONCRETE</b>		<b>STEEL</b>		<b>WOOD</b>		<b>CONCRETE</b>		<b>STEEL</b>	
	Plan Check Fee	increments	Plan Check Fee	increments	Plan Check Fee	increments	Inspection Fee	increments	Inspection Fee	increments	Inspection Fee	increments
1,000	\$ 1,445	\$ 70	\$ 1,524	\$ 84	\$ 1,545	\$ 88	\$ 1,939	\$ 76	\$ 1,844	\$ 83	\$ 1,649	\$ 73
5,000	\$ 4,243	\$ 63	\$ 4,884	\$ 76	\$ 5,062	\$ 79	\$ 4,966	\$ 68	\$ 5,184	\$ 75	\$ 4,582	\$ 66
10,000	\$ 7,391	\$ 57	\$ 8,665	\$ 68	\$ 9,019	\$ 71	\$ 8,371	\$ 61	\$ 8,941	\$ 68	\$ 7,882	\$ 59
15,000	\$ 10,224	\$ 51	\$ 12,067	\$ 61	\$ 12,580	\$ 64	\$ 11,436	\$ 55	\$ 12,323	\$ 61	\$ 10,852	\$ 53
20,000	\$ 12,774	\$ 46	\$ 15,129	\$ 55	\$ 15,785	\$ 58	\$ 14,194	\$ 50	\$ 15,367	\$ 55	\$ 13,525	\$ 48
35,000	\$ 19,658	\$ 41	\$ 23,397	\$ 50	\$ 24,438	\$ 52	\$ 21,642	\$ 45	\$ 23,584	\$ 49	\$ 20,741	\$ 43
50,000	\$ 25,853		\$ 30,838		\$ 32,226		\$ 28,344		\$ 30,980		\$ 27,236	

<b>PARKING STRUCTURES</b>												
<b>SQ. FT.</b>	<b>WOOD</b>		<b>CONCRETE</b>		<b>STEEL</b>		<b>WOOD</b>		<b>CONCRETE</b>		<b>STEEL</b>	
	Plan Check Fee	increments	Plan Check Fee	increments	Plan Check Fee	increments	Inspection Fee	increments	Inspection Fee	increments	Inspection Fee	increments
1,000	\$ 1,615	\$ 46	\$ 1,974	\$ 56	\$ 1,922	\$ 47	\$ 1,899	\$ 44	\$ 1,871	\$ 39	\$ 1,548	\$ 30
5,000	\$ 3,459	\$ 41	\$ 4,229	\$ 51	\$ 3,800	\$ 42	\$ 3,647	\$ 39	\$ 3,418	\$ 35	\$ 2,760	\$ 27
10,000	\$ 5,534	\$ 37	\$ 6,766	\$ 46	\$ 5,913	\$ 38	\$ 5,614	\$ 35	\$ 5,158	\$ 31	\$ 4,123	\$ 25
15,000	\$ 7,401	\$ 34	\$ 9,049	\$ 41	\$ 7,815	\$ 34	\$ 7,384	\$ 32	\$ 6,725	\$ 28	\$ 5,350	\$ 22
20,000	\$ 9,081	\$ 30	\$ 11,104	\$ 37	\$ 9,526	\$ 31	\$ 8,977	\$ 29	\$ 8,134	\$ 25	\$ 6,454	\$ 20
35,000	\$ 13,618	\$ 27	\$ 16,652	\$ 33	\$ 14,148	\$ 28	\$ 13,278	\$ 26	\$ 11,941	\$ 23	\$ 9,435	\$ 18
50,000	\$ 17,702		\$ 21,645		\$ 18,307		\$ 17,150		\$ 15,366		\$ 12,118	

**Fee Schedule  
Part 2  
COMMERCIAL/INDUSTRIAL**

**D. NEW BUILDINGS**

<b>HOTEL/MOTEL/MULTI-FAMILY</b>												
	<b>WOOD</b>		<b>CONCRETE</b>		<b>STEEL</b>		<b>WOOD</b>		<b>CONCRETE</b>		<b>STEEL</b>	
<b>SQ. FT.</b>	Plan Check Fee	increments	Plan Check Fee	increments	Plan Check Fee	increments	Inspection Fee	increments	Inspection Fee	increments	Inspection Fee	increments
1,000	\$ 1,832	\$ 85	\$ 2,253	\$ 107	\$ 2,252	\$ 107	\$ 1,904	\$ 94	\$ 1,632	\$ 95	\$ 1,496	\$ 95
5,000	\$ 5,236	\$ 77	\$ 6,518	\$ 96	\$ 6,513	\$ 96	\$ 5,678	\$ 85	\$ 5,437	\$ 86	\$ 5,315	\$ 86
10,000	\$ 9,066	\$ 69	\$ 11,317	\$ 86	\$ 11,306	\$ 86	\$ 9,923	\$ 76	\$ 9,718	\$ 77	\$ 9,610	\$ 77
15,000	\$ 12,513	\$ 62	\$ 15,636	\$ 78	\$ 15,620	\$ 78	\$ 13,744	\$ 69	\$ 13,571	\$ 69	\$ 13,477	\$ 70
20,000	\$ 15,615	\$ 56	\$ 19,523	\$ 70	\$ 19,502	\$ 70	\$ 17,183	\$ 62	\$ 17,038	\$ 62	\$ 16,956	\$ 63
35,000	\$ 23,992	\$ 50	\$ 30,017	\$ 63	\$ 29,984	\$ 63	\$ 26,468	\$ 56	\$ 26,400	\$ 56	\$ 26,351	\$ 56
50,000	\$ 31,530		\$ 39,462		\$ 39,419		\$ 34,824		\$ 34,825		\$ 34,806	

**NOTES:**

1. Occupancies not noted will be classified to the closest category of building use noted above.
2. Fees for all projects larger than 50,000 sq. ft. will be determined by the following valuation table:

<b>Total Valuation</b>	<b>Inspection Fee</b>	<b>Plan Check Fee</b>	<b>Mechanical, Plumbing &amp; Electrical Fee</b>
\$ 500,001 and Up	\$ 10,235.00 for the first \$ 500,001.00, plus \$ 14.72 for each additional \$ 1,000.00 or fraction thereof	14% of Inspection fee	See Parts 7,8 & 9

# Fee Schedule

## Part 2

### COMMERCIAL/INDUSTRIAL

#### E. Miscellaneous Construction

◆ Roof equipment	
\$578 first piece of equipment	
\$289 each additional piece of equipment	
◆ Equipment Installation, tank farm \$289 (first) and \$145 (others)	
◆ Racks > 6', per each type (type changes with size and/or style)	
\$289 first rack of a type	
\$145 each 5 additional racks or fraction there of	
◆ Roof Screen	\$578
◆ Fences	\$578
◆ Monument Sign, first two (not including electrical)	\$289
◆ Wall Mounted Sign (not including electrical)	\$220
◆ Solar (PV) 0 to 8 kW	\$675
◆ Solar (PV) 9 to 48 kW	\$903
◆ Solar (PV) 49 kW and above	\$2,214
◆ Permits not listed:	
Plan Check Engineer hourly rate (1 hr. min.)	\$151
Building Inspector hourly rate (1 hr. min.)	\$138

#### F. Other Plan Check, Inspection and Permit Fees

◆ Plan Check, Title 24 Energy Conservation	10% of Plan Check fee
◆ After Hours Plan Check (2 hr. min.)	\$453
◆ After Hours Inspection (2 hr. min.)	\$414
◆ Certificate of Occupancy Inspection	\$303
◆ Courtesy Inspection under a Temporary Permit (2 hr. min.)	\$276
◆ Fire Damage Inspection	\$276
◆ Inspection Investigation Fee (construction w/o permits per MMC)	100% of permit fee
◆ Reinspection	\$104
◆ Christmas Tree Lot Permit	\$138
◆ Demolition Permit	\$138
◆ Temporary Building Permit	\$460

#### G. Miscellaneous Fees

◆ Change of Address, per request (Large Projects will require additional fee)	\$350
◆ Microfilming	
8 1/2 x 11, 1st 10	\$1/ea
8 1/2 x 11, 11 +	\$.50/ea
Drawing Sheet Size 17" x 22" or larger	\$4/ea
◆ Extension of Plan Check	\$34
◆ Extension of Building Permit	\$34
◆ Records Research	\$27
◆ Records Research with Documentation, per Address	\$54
◆ Report of Monthly Building Permit Activity (no charge to public agencies)	\$47
◆ Reprinting lost Building Permit Cards	\$27

(continued next page)

# Fee Schedule

## Part 2

### COMMERCIAL/INDUSTRIAL

#### G. Miscellaneous Fees (continued)

♦ Alternative Materials or Methods of Construction Request	\$460
♦ Strong Motion instrumentation and Seismic Hazard Mapping Fees (State Fee):	
Category 1 - Residential, 1st to 3rd Story: Valuation x 0.0001= Fee (Minimum Fee is \$.50)	
Category 2 - All Other Buildings: Valuation x 0.00021= Fee (Minimum Fee is \$.50)	
♦ Disabled Access Exception Request	\$302
♦ Faithful Performance Bond - Execution	\$253
♦ *Permitting Automation Fee	2.5% of total permit fee

#### H. Hourly Rates, Special Services and Fee Adjustments

##### ♦ Building Inspection Division

Fees Based on Hourly Rates: When the nature of work precludes assessment of fees based on the square footage method, plan check fees and/or inspections shall be charged on an hourly rate basis

Hourly Rates: When hourly rates are used to assess fees, the rates shall be as follows:

Clerical and Permit Technician	\$110/hr
Building Inspector	\$138/hr
Plan Checker	\$131/hr
Plan Check Engineer	\$151/hr

Overtime Hourly Rates: When plan checks or inspections are performed on a overtime basis at request of an applicant, overtime rates shall be as follows:

Clerical and Permit Technician	\$165/hr
Building Inspector	\$207/hr
Plan Checker	\$197/hr
Plan Check Engineer	\$227/hr

##### ♦ Planning Division (for projects that have not established a Private Job account)

Permit application review	\$151/hr (\$70 min. charge)
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##### ♦ Engineering Division (for projects that have not established a Private Job account)

Commercial and Industrial permit application review	\$151/hr (\$100 min. charge)
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##### ♦ Special Services and Fee Adjustments

Special Services: When the Building Inspection Division provides requested or necessary services that are not included in this Fee Schedule, the Chief Building Official may assess and collect such fees that are reasonably necessary to defray the cost of such services.

Fee Adjustments: In instances where the strict application of fees from this schedule would constitute a substantial inequity to an applicant or to the City, the Chief Building Official shall be authorized to adjust such fees on a case-by-case basis. Any such adjustments shall be recorded in writing and entered into the appropriate files.

## Fee Schedule Parts 3-9

### 3. Grading

- ♦ **Plan Check**  
Grading Plan Check (2 hr. min.) \$151/hr
- ♦ **Inspection**  
0 - 10,000 Cubic Yards \$455  
10,001 - 100,000 Cubic Yards:  
    \$455 plus \$60 for each additional 10,000 cy or fraction thereof  
Over 100,000 Cubic Yards:  
    \$994 plus \$30 for each additional 10,000 cy or fraction thereof
- ♦ \*Permitting Automation Fee 2.5% of total permit fee

### 4. Site Improvements

- ♦ **Plan Check**  
Site Improvement Plan Check (2 hr. min.) \$302
- ♦ **Inspection** (Note: Fee Accumulates)

	<u>sq.ft.</u>	<u>sq.ft.</u>	<u>\$/sq.ft.</u>
First:	0	50,000	\$0.160
Next:	50,001	100,000	\$0.090
Next:	100,001	500,000	\$0.040
Next:	500,001	1,000,000	\$0.026
Next:	1,000,001	2,000,000	\$0.022
Next:	2,000,001	and up	\$0.020

- ♦ Storm Drain Permit per project \$138
- ♦ \*Permitting Automation Fee 2.5% of total permit fee

### 5. Pools or Spas

- ♦ Pool or Spa Plan Check (1 hr. minimum) \$151/hr
- ♦ Swimming Pool - Private \$345
- ♦ Swimming Pool - Public \$483
- ♦ Spa -separate \$207
- ♦ Private Pool and Spa together \$483
- ♦ \*Permitting Automation Fee 2.5% of total permit fee

### 6. Re-Roofing

- ♦ Single-Family Residential, each building \$368
  - ♦ Multi-Family, Residential, each building \$518
  - ♦ Commercial/Industrial, each building\*\* \$667
  - ♦ \*Permitting Automation Fee 2.5% of total permit fee
- \*\*Additional fees may be due if excessive amount of roof penetrations or equipment

### 7. Electrical

- ♦ See Schedule A, Part 7

### 8. Mechanical

- ♦ See Schedule A, Part 8

### 9. Plumbing

- ♦ See Schedule A, Part 9

**Fee Schedule  
Part 7  
ELECTRICAL**

**Schedule A**

	<u>Fee</u>
◆ Electrical Permit Issuance.....	\$110
◆ Plan Check Fee.....	\$ 151/hr
◆ Permit Fee, New Residential Construction, Single-Family.....	\$0.14/sq. ft.
◆ Permit Fee, New Residential Construction, Mutli-Family.....	\$0.09/sq. ft.
◆ Receptacle Outlets and/or Switches - first 20.....	\$67
◆ Receptacle Outlets and/or Switches - each additional 20.....	\$52
◆ Lighting Fixtures, Sockets - first 20.....	\$67
◆ Lighting Fixtures, Sockets - each additional 20.....	\$52
◆ Pole/Platform-Mounted/Theatrical Fixtures, each.....	\$30
◆ Circuit Breaker Panel/Subpanel - each.....	\$52
◆ Electrical Range, each.....	\$30
◆ Cook Top/Oven each.....	\$30
◆ Dryer, each.....	\$30
◆ Air Conditioner, each.....	\$30
◆ Water Heater, each.....	\$30
◆ Heater, each.....	\$30
◆ Residential Appliance Self-Contained - under 1 HP, KW, KVA, each.....	\$30
◆ Sign, lighting systems from one branch circuit.....	\$110
◆ Services - not over 200 amps, each (new or change).....	\$67
◆ Services - 201 amps - 1000 amps, each (new or change).....	\$110
◆ Services - over 1000 amperes, each (new or change).....	\$161
◆ Power Apparatus/Transformer - each.....	\$52
◆ Miscellaneous Apparatus, Conduits & Conductors, each.....	\$52
◆ X-Ray unit, each.....	\$30
◆ Welder Outlet, each.....	\$30
◆ Temporary Power Pole, each.....	\$52
◆ Temporary Meter Set, each.....	\$52
◆ Swimming Pool/Spa.....	\$161
◆ Elevator, each.....	\$110
◆ Cellular Floors per 100 ft.....	\$67
◆ Trolley/Plug-in Busways per 100 ft.....	\$67
◆ Floor Duct per 100 lineal foot.....	\$67
◆ Power Duct per 100 ft.....	\$30
◆ Special Circuitry, per circuit.....	\$52
◆ Carnivals, Circuses - Electrical-driven Rides, each.....	\$30
◆ Carnivals, Circuses - Mechanical-driven Rides, each.....	\$30
◆ Electrical System of Area & Boot Lighting, each.....	\$30
◆ *Permitting Automation Fee.....	2.5% of total permit fee

**Fee Schedule  
Part 8  
MECHANICAL**

**Schedule A**

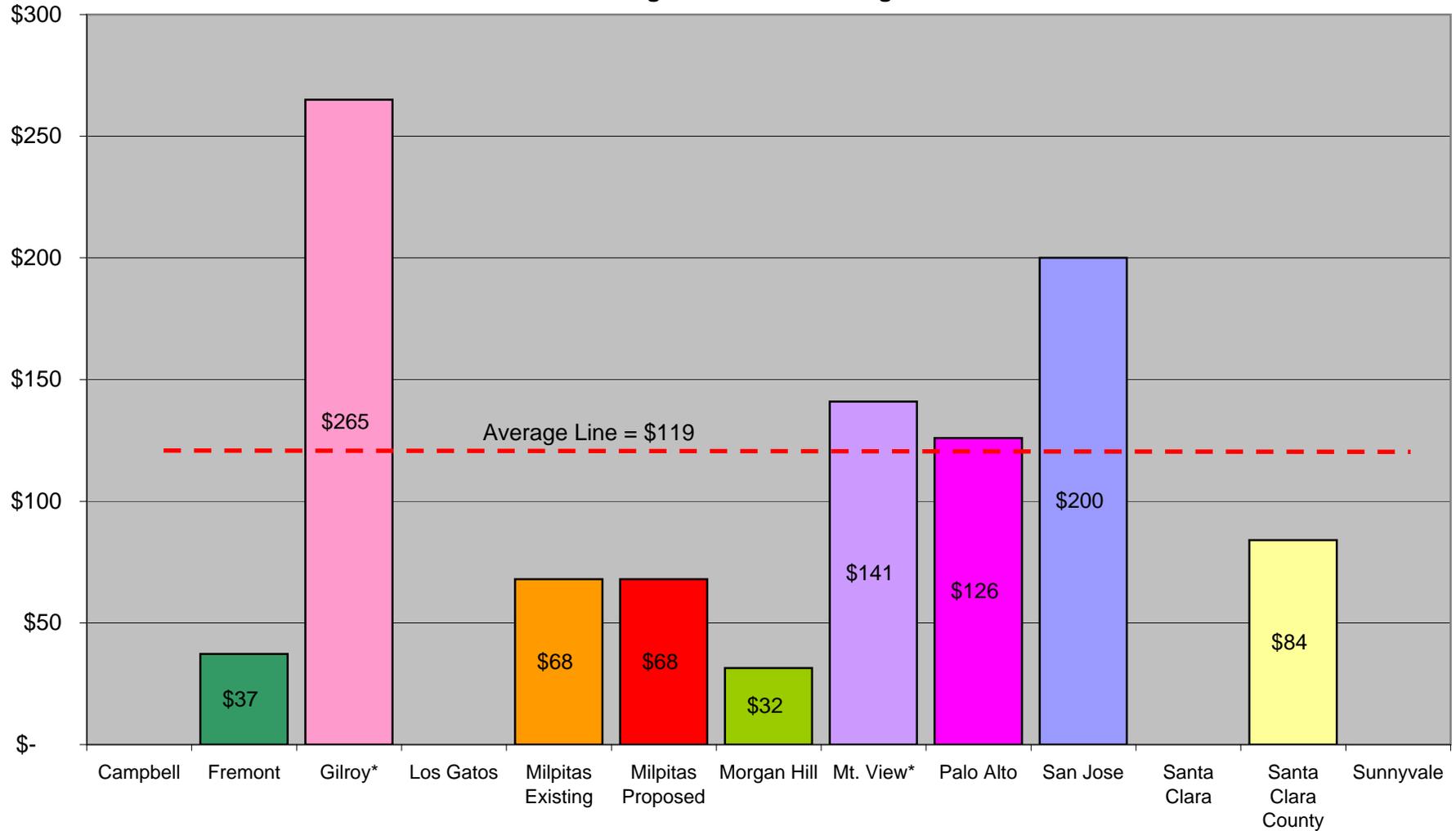
	<u>Fee</u>
♦ Mechancial Permit Issuance.....	\$110
♦ Plan Check Fee.....	\$ 151/hour
♦ Permit Fee, New Residential Construction, Single Family and Two-Family.....	\$0.14/sq. ft.
♦ Heating/Ventilation /Exhaust - Single-Family and Two-Family.....	\$0.23/sq. ft.
♦ Permit Fee, New Residential Construction, Multi Family.....	\$0.09/sq. ft.
♦ Heating/Ventilation /Exhaust - Multi-Family.....	\$0.16/sq. ft.
♦ Install Furnace Other Than Suspended, Wall or Floor Mounted .....	\$81
♦ Install or Replace - Suspended Heater.....	\$67
♦ Install or Replace - Recess Wall Heater.....	\$52
♦ Install or Replace - Floor-mounted Heater.....	\$52
♦ Install, Relocate, Replace Vent (not included with appliance).....	\$52
♦ Install Hood Serviced by Mechanical Exhaust - Residential.....	\$30
♦ Install Hood Serviced by Mechanical Exhaust - Commercial.....	\$81
♦ Duct Work Extended from Existing System, each.....	\$52
♦ Install Industrial-type Incinerator.....	\$81
♦ Install/Replace Boiler - First One.....	\$52
♦ Install/Replace Boiler - Each additional.....	\$30
♦ Install/Replace AC Unit 0-5 ton <2000 CFM - first.....	\$52
♦ Install/Replace AC Unit 0-5 ton <2000 CFM - each additional.....	\$37
♦ Install/Replace AC Unit Over 5 ton >2000 CFM - first.....	\$110
♦ Install/Replace AC Unit Over 5 ton >2000 CFM - each additional.....	\$52
♦ Install/Replace Fire or Fire/Smoke Dampers - 5 (or portion of).....	\$52
♦ Exhaust & Product Conveyor Systems -each.....	\$52
♦ Non-portable Evaporative Cooler.....	\$52
♦ Ventilation Fan Connected to Single Duct, Bath Fan.....	\$30
♦ Ventilation System, not HVAC.....	\$30
♦ Other Regulated Appliance.....	\$52
♦ Process Piping	
Hazardous process piping system one to four outlets.....	\$67
Hazardous process piping system five or more outlets, per outlet.....	\$30
Non-hazardous process piping system one to four outlets.....	\$67
Non-hazardous process piping system five or more outlets, per outlet.....	\$30
♦ *Permitting Automation Fee.....	2.5% of total permit fee

**Fee Schedule  
Part 9  
PLUMBING**

**Schedule A**

	<u>Fee</u>
♦ Plumbing Permit Issuance.....	\$110
♦ Plan Check Fee.....	\$151/hr
♦ Permit Fee, New Residential Construction, Single-Family.....	\$0.14/sq. ft.
♦ Permit Fee, New Residential Construction, Multi-Family.....	\$0.09/sq. ft.
♦ Plumbing Fixtures - 5 traps (or portion of).....	\$67
♦ Building Sewer (New or Replacement).....	\$67
♦ Rain Water System per Drain/Overflow - 5 (or portion of).....	\$67
♦ Water Heater and Vent.....	\$81
♦ Gas Piping System - (each appliance).....	\$67
♦ Industrial Waste Pre-Treatment System.....	\$110
♦ Grease Trap.....	\$67
♦ Grease Interceptor.....	\$81
♦ Water System Installation.....	\$67
♦ Repair/Alteration of Drain/Vent.....	\$67
♦ Landscape Sprinkler System.....	\$67
♦ Landscape Reclaim Water, per valve.....	\$161
♦ Backflow Protection - First 5.....	\$52
♦ Backflow Protection - Each Additional 5 (or portion of).....	\$30
♦ Reclaim Water System, No Irrigation.....	\$161
♦ Swimming Pool/Spa.....	\$110
♦ Private Sewage Disposal System.....	\$52
♦ * Permitting Automation Fee.....	2.5% of total permit fee

Microfilm & Imaging for  
 30 Pages 8.5" x 11"  
 &  
 12 Pages 17" x 22" or Larger



\*Data from 2/8/07

# MEMORANDUM

Department of Planning & Neighborhood Services

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**To:** Emma Karlen, Finance Director  
**From:** James Lindsay, Planning & Neighborhood Services Director  
**Subject:** **Planning Fee Adjustments**  
**Date:** February 24, 2009

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We are proposing to eliminate the initial deposit amounts within Planning Fee Scheduled and to change a number of applications with flat fees that should be 100% cost recovery to Private Job (PJ) Accounts. Eliminating the initial deposit within the fee resolution will allow us to require additional funds up front for more complex projects and therefore not having to continually go back to the applicant for more money.

Service Center	Description	% Cost Recovery (IV-3-4.00)	Current Fee	Proposed Fee
S-001	PLANNING RESEARCH FEE	10%	1 <sup>st</sup> 30 min. free; \$40/hr afterward	n/c
S-003	ZONING CONFORMANCE LETTER	100	\$40	n/c
S-004	ZONING CODE INTERPRETATION	50	No fee	n/c
S-005	APPEAL OF STAFF INTERPRETATION	0	No fee	n/c
S-005A	APPEAL OF PLANNING COMMISSION DECISION	100	\$100	n/c
S-006	ZONING CODE TEXT AMENDMENT	100	\$2,000 deposit	<b>PJ Account</b>
S-006A	ZONE CHANGE	100	\$2,000 deposit	<b>PJ Account</b>
S-007	PRELIMINARY PLAN REVIEW	0	No fee	n/c
S-008	DEVELOPMENT AGREEMENT	100	\$5,000 deposit	<b>PJ Account</b>
S-009	DEVELOPMENT AGREEMENT AMENDMENT	100	\$2,500 deposit	<b>PJ Account</b>
S-010	BASIC DEVELOPMENT SERVICES	100	No fee	n/c
S-010A	GENERAL PLAN AMENDMENT	100	\$2,000 deposit	<b>PJ Account</b>
S-010B	PLANNED UNIT DEVELOPMENT	100	\$2,000 deposit	<b>PJ Account</b>

<b>Service Center</b>	<b>Description</b>	<b>% Cost Recovery (IV-3-4.00)</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
S-010C	SITE DEVELOPMENT PERMITS (S ZONE) <ul style="list-style-type: none"> <li>• New multi-family or nonresidential building/site development</li> <li>• Major building or site modifications to existing development</li> <li>• New hillside homes</li> <li>• Building additions               <ul style="list-style-type: none"> <li>○ 25,000+ sf.</li> <li>○ 10,000-25,000 sf.</li> <li>○ 1,000-10,000 sf.</li> <li>○ less than 1,000 sf.</li> </ul> </li> <li>• Minor building or site modifications to existing development</li> <li>• Building signs &amp; freestanding signs under 6 feet in height</li> </ul>	100	\$2,000 deposit \$2,000 deposit \$1,050 fee \$2,000 deposit \$1,050 flat fee \$500 flat fee \$250 flat fee \$250 flat fee \$250 flat fee	<b>PJ Account</b> <b>PJ Account</b> <b>PJ Account</b> <b>PJ Account</b> <b>PJ Account</b> <b>PJ Account</b> <b>PJ Account</b>
S-010D	PLANNED SIGNAGE PROGRAM	100	\$250 fee	<b>PJ Account</b>
	AMENDMENTS / MODIFICATIONS TO PREVIOUS APPROVALS	100	50% of flat fee or PJ deposit	n/c
S-010F	TENTATIVE MAP (MAJOR)	100	\$2,000 deposit	<b>PJ Account</b>
S-010G	PARCEL MAP (MINOR)	100	\$2,000 deposit	<b>PJ Account</b>
S-010H	NEWSPAPER ADVERTISEMENT	100	\$225 for expedited ad published in daily paper	<b>PJ Account</b>
S-011	PLANNING TIME EXTENSION	100	\$300 fee	n/c
S-012	GENERAL PLAN MAINTENANCE	0	No fee	n/c
S-030	ENVIRONMENTAL CATAGORICAL EXEMPTION	0	No fee	n/c
S-031	ENVIRONMENTAL INITIAL STUDY & NEGATIVE DECLARATION	100	\$50 for non-PJ applications	<b>PJ Account</b>
S-031A	ENVIRONMENTAL IMPACT REPORT	100	\$2,000 deposit	<b>PJ Account</b>
S-031B	CALIFORNIA FISH & GAME FEE	100	Applicant pays County Clerk	n/c
S-032	VARIANCE <ul style="list-style-type: none"> <li>• Non-residential &amp; multi-family</li> <li>• Single family</li> <li>• Signs</li> </ul>	50-100	\$2,000 deposit \$375 fee \$700 fee	<b>PJ Account</b> n/c n/c
S-032A	USE PERMITS Use permits in non-residential, multi-family districts.	100	\$1,000 deposit	<b>PJ Account</b>
S-032B	USE PERMITS <ul style="list-style-type: none"> <li>• Use permits in single family districts</li> <li>• Family day care homes</li> </ul>	50-100	\$375 \$50	n/c

# MEMORANDUM

## *Engineering Division*



**To:** Emma Karlen, Finance Director

**Through:** Greg Armendariz; Public Works Director

**From:** Kathleen Phalen, Utility Section Leader

**Subject:** Proposed Water Meter Fee Adjustment

**Date:** March 5, 2009

**cc.:** Fernando Bravo, Land Development Section Leader  
Stephan Smith, Utility Maintenance

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The Department of Public Works (DPW) asks the Finance Subcommittee to recommend to the City Council that water meter acquisition and installation fees be adjusted to cover current costs. These fees were last adjusted in July 2006.

For billing purposes, the City requires that water service customers have a water meter to measure usage. Typical meters range in size from 5/8” to 8”, corresponding to the diameter of the water service line, and are for various types of water services including potable low-flow domestic and commercial, potable irrigation, potable high-flow compound, and recycled water. The City purchases the meters and installs them at the request of customers when they establish new services or change the size of their services. The City bills a fee to cover the full cost of the meters, associated equipment, and labor. The City does not charge for replacing defective or worn out meters.

Title IV, Section 3-4.00 – “Schedule of Fees and Service Charges,” of the Milpitas Municipal Code includes water meter acquisition and meter installation as service center fees S-090A and S-090, respectively, and directs staff to calculate and propose fees to attain 100% cost recovery. The proposed fees to recovery costs are described as follows:

S-090A – “Meter Acquisition Fees” are listed in the attached table. These fees are equal to the City’s actual cost for meter and ancillary equipment, including sales tax. The City’s policy is that meters to be installed in High-Density Developments and in Hard-to-Read locations, as determined by the Finance Accounting Services Manager, will include remote read registers and transmitters to allow remote walk-by or drive-by readings.

S-090 – Water Meter Installation Fee is \$184. This represents the direct and indirect labor cost to install one meter. Direct labor is salary and benefits. Indirect overhead is derived from the Cost Allocation Study approved by the City Council in February 2007. The fully loaded labor rate for the Maintenance Worker (MW) is \$140 per hour which is an average of the FY09/10 rates for MW II and MW III. The fully loaded rate for the Finance Department Fiscal Assistant is \$87 per hour. The time for installation is one hour for a maintenance worker to receive the assignment and pick up equipment, travel to the installation site, install and test the meter, and report back results and one-half hour for the Fiscal Assistance to accept and log the customer request, set up the utility billing account, dispatch the request to DPW maintenance, and log the installation report.

S-090A - Meter acquisition fee\*

Size	Type	Remote Read
Low Flow		
5/8"	\$58.46	\$205.68
3/4"	\$90.93	\$205.68
1"	\$130.57	\$205.68
1 ½"	\$348.57	\$205.68
2"	\$482.80	\$205.68
Irrigation		
3/4"	\$90.93	\$205.68
1"	\$130.98	\$205.68
1 ½"	\$567.23	\$205.68
2"	\$644.09	\$205.68
3"	\$745.84	\$205.68
Recycled		
1 ½"	\$364.80	\$205.68
2"	\$527.18	\$404.86
High Flow Compound		
2"	\$1,668.13	\$404.86
3"	\$2,135.77	\$404.86
4"	\$2,447.76	\$404.86
6"	\$4,831.21	\$404.86
8"	\$7,828.64	\$404.86

\* Fee includes cost of meter equipment plus sales tax



# Milpitas Parks & Recreation Services Department

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**To:** Finance Subcommittee  
**Through:** Tom Williams, City Manager  
**From:** Bonnie Greiner, Parks and Recreation Services Director  
**Subject:** **Possible Fee Increases**  
**Date:** March 9, 2009

Parks and Recreation Services staff is continuously reviewing and evaluating programs, fees etc. In the effort to be fiscally responsible, staff is proposing to adjust the following fees to align them with competing program costs and make comparable to neighboring cities surveyed. Staff has surveyed neighboring cities to compare programs, rental facilities rates, athletics users' fees, non resident rates, etc.

Staff has also explored new and innovated ways to attract customers that would increase program participation, thus increasing revenue for the city, without impacting current residents.

### New "Become a Local Card":

Over the past year, staff has noticed a decline in "non-resident" participation in programs, thus reducing revenue. Staff is proposing the new "Locals Only" card.

All non Milpitas residents interested in participating in Recreation classes only may purchase a yearly honorary membership card for a fee. The honorary membership fee allows non Milpitas residents to enroll in Recreation classes and pay the resident rate.

The yearly membership would accommodate different recreation needs.

#### Yearly Membership Fees

Family (up to 4 members)	\$100.00
Family (up to 8 members)	\$200.00

Milpitas residents will maintain priority status when signing up for all Parks and Recreation Services Programs. The "Local" card will waive the "non-resident: fee of \$20.00 per class and ultimately encourage enrollment by non-residents who live closely to our Recreation facilities. Not only will this encourage non-residents to apply, but it will generate additional revenue.



**MILPITAS**  
**Parks & Recreation**  
**Services Department**

*The Opportunities Are Endless...*

Milpitas Community Center, 457 E. Calaveras Blvd., (408) 586-3210  
Milpitas Senior Center, 540 S. Abel St., (408) 586-2775  
Milpitas Sports Center, 1325 E. Calaveras Blvd., (408) 586-3225  
Milpitas Teen Center, 1325 E. Calaveras Blvd., (408) 586-3296  
Milpitas Park Maintenance, 1265 N. Milpitas Blvd., (408) 586-2600

**Community Garden:**

The Cesar Chavez Community Garden is located off of Dixon Landing Road near Weller school. There are currently 50 garden plots sized 20 X 30 FT. Plot renewal is October 15 of each year. Currently all plots are taken with Milpitas residents with 35 on the waiting list. It should also be noted that the size of the Milpitas Community Garden plots are significantly larger than surrounding surveyed cities.

Staff compared our community garden to the following cities Belmont, Campbell, Concord, Saratoga, Sunnyvale, and Mountain View with plots varying in size. See attachment for plot details.

**Community Garden Rate Changes:**

Current Fee: Resident \$30.00 per plot/per year

Senior resident \$15.00 (50+)

Non-Residents \$45.00

Proposed Fee: Residents \$60.00 per plot/per year

Senior rates \$30.00

Non-Residents \$90.00

**Projected Revenue Increase: \$885.00**

**Youth Sports Field User Fee:**

Upon reviewing field use fees of neighboring cities, including San Jose, Campbell, Cupertino, Los Altos, Palo Alto, and Sunnyvale, staff has found that these cities currently implement a Youth Sports Field User Fee. Additionally, Mountain View and Santa Clara are currently proposing Youth Sports Field User Fees in their community. City of Milpitas Staff has proposed a Youth Sport User Fee for Youth Sports User Groups to pay \$5 per player/per season. The Youth Sport User Field Fee could be implemented to remain competitive with other Bay Area Cities, while providing additional revenue to offset field maintenance expenses and supplies. With a growing number of Youth Sports User Groups in the community each year, field maintenance costs continue to rise with no financial compensation to the City who maintains the high quality athletic fields. A Youth Sports User Fee would generate approximately \$8,500 in additional revenue per year.

**Proposed Youth Sports User Group Athletic Field Fee:**

Current Fee: none

Proposed Fee: \$5/player

Annual participation: 1,700 players ( Little Leagues PAL, Bobby Sox etc)

**Project Revenue Increase: \$8,500**

SURVEY  
Athletic Field Fees for  
Youth Sports Organizations

Attachment 1

City	YSO Fee	Amount	Per Hour or Player	Other Fees	Additional Information
Burlingame	Yes	\$10 Res, \$30 NRes	Per Player		
Campbell	Yes	\$7.50-25	Per Hour	\$25 Processing Fee	Co-sponsorship 50% Res is Flat \$500 per season & priority for fields
Cupertino	Yes	\$11 Res, \$22 NRes	Per Player	Non Resident Fee increases to \$66 per player without 51% Residents	Sundays Closed 2 Tournaments allowed on a Sunday included in price
Foster City	No	\$0			
Gilroy	No	\$0		\$24 per hour Light Charge	
Half Moon Bay	Yes	\$15-30	Per Hour		
Hollister	No	\$0		\$24 per hour Light Charge	
Los Altos	Yes	\$7	Per Hour	School District charge of \$36.13 per FTE participant	Fee going up to \$10 per hour as of March 2009
Los Gatos	N/A	N/A			No Field Permits Assigned
Milipitas	No	\$0			
Mountain View	No	\$0			
Pacific Grove	Yes	\$10	Per Hour		
Palo Alto	Yes	\$1	Per Hour		
San Jose	Yes	\$2	Per Hour	\$35 Application Fee, \$30 per hour Light Charge	
Santa Clara	No	\$0			Must be 51% residents for no fee to be charged
Sunnyvale	Yes	\$1	Per Hour		
Watsonville	Yes	\$9-21.50	Per Hour	\$3 per hour Portable Restroom Fee	

## Community Gardens in the Bay Area

### **Belmont**

Recreation department 650-595-7441

**Plot Size 10X12 24 plots**

\$35.00 Yearly fees for both

Deposit \$75.00

**\*They are looking into raising fees to \$50.00**

### **Campbell**

Public works in charge Diana 408-866-2145

**Plot size 10X20**

\$30.00 Yearly fees

Residents only

### **Concord**

An outside group handles their garden

925-681-2968

\$60.00 Yearly fee

### **Saratoga**

Recreation department in charge 408-868-1249

**Plot size 20X31**

\$170.00 yearly adults

\$160.00 seniors

Residents only

### **Sunnyvale**

Public Works Curtis Black 408-730-7596

**Plot Size 64 Square ft**

5-year limit on Gardeners

\$175.00 yearly adults & seniors

Residents Only

### **Milpitas**

Garry Mahan 586-2621

**Plot Size 20ftX30ft**

\$15.00 yearly seniors

\$30.00 yearly adults

**Mountain View**

No fees charged

No Size available at time of call

Only available to seniors 55 years or older

# MEMORANDUM

## *Parks and Recreation Services Department*

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**To:** Tom William, City Manager  
**From:** Bonnie Greiner, Parks and Recreation Services Director  
Aaron Bueno, Parks and Recreation Services Supervisor  
**Subject:** Milpitas Tidal Waves Fee Increase  
**Date:** 3/09/09

Upon reviewing swim team fees of neighboring cities and swim clubs, staff has found that every club surveyed uses a “tiered system” fee structure and has higher fees than the Milpitas Tidal Waves (MTW).

Athletes on each respective team are divided into groups based on skill level. The fee structure is calculated based upon the duration of coaching hours per group level. Essentially, the “beginner” level groups have the least amount of training time and pay the least amount of team fees. The “Junior” level groups have longer practice times and therefore pay more. The “Senior” level groups have the most amount of practice time and pay the most team fees.

The Milpitas Tidal Waves swim team is currently divided into three distinct group levels with different lengths of practice time, however current team fees are the same for all swimmers at \$50.00 per month for residents and \$70.00 for non-residents. The “tiered system” fee structure can be introduced for the “Beginner”, “Junior” and “Senior” level groups and fees can be increased to a more comparable cost with other swim club fees in the Bay Area.

Nearly twenty percent of the MTW swim team is comprised of non-resident participants, who currently pay an additional \$20.00 per month to participate, per the established non-resident fee. Due to pool size and available hours, the swim team enrollment is limited to 100 swimmers. Currently the enrollment is on a first come, first serve basis.

### **Proposed New Monthly Fee Structure:**

\$65/Beginner Group	1 hour per day practice time
\$75/Junior Group	1.5 hours per day practice time
\$85/Senior Group	2 hours per day practice time

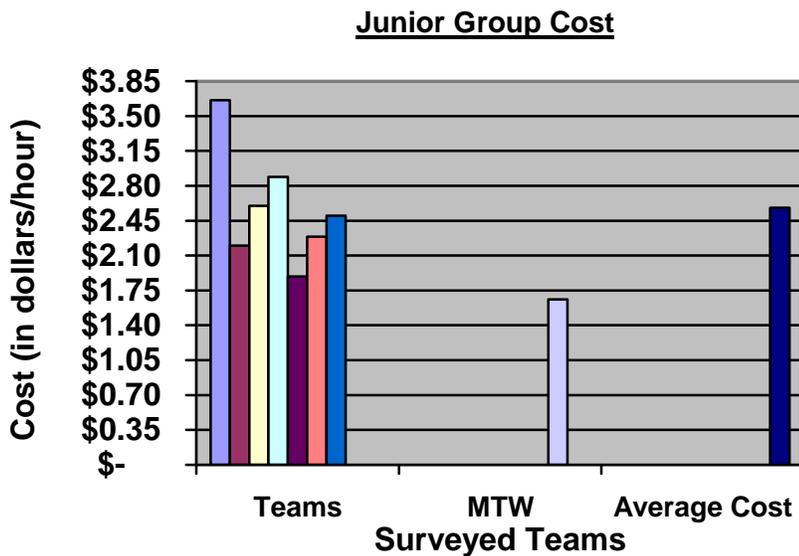
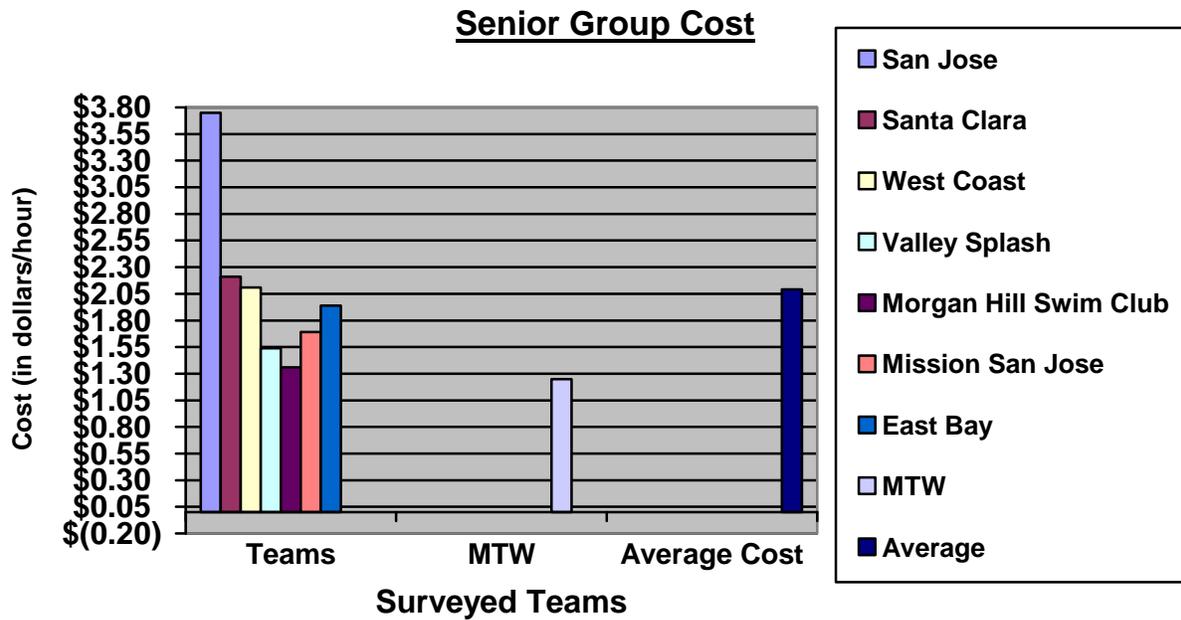
<u>Summary of Cost/hour:</u>	<u>Beginner</u>	<u>Junior</u>	<u>Senior</u>
Local team Average:	\$3.85	\$2.58	\$2.09
Current MTW:	\$2.50	\$1.66	\$1.25
Proposed MTW:	\$3.25	\$2.50	\$2.13

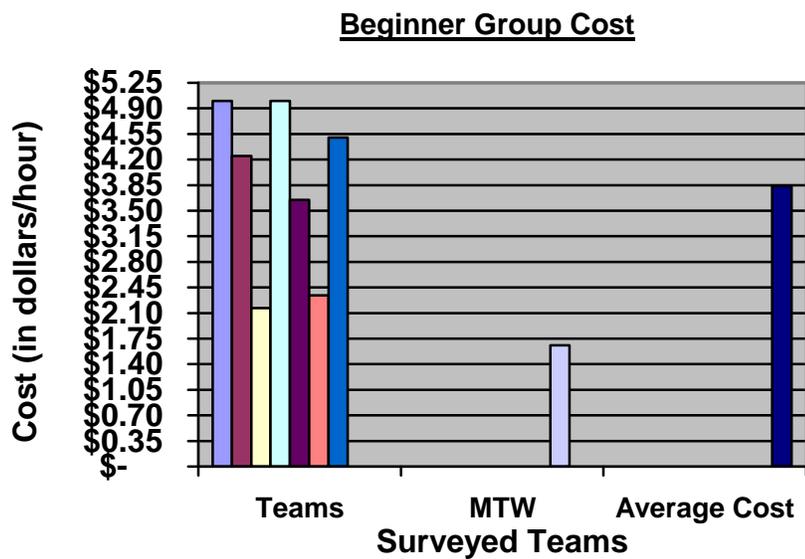
**Additional Non-Resident Fee/per Month**

Current: \$20

Proposed: \$50

The graphs below compare the current group fees per hour of practice for local swim clubs.





# MEMORANDUM

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**To:** Tom Williams, City Manager  
**Through:** Ruben Grijalva, Interim Fire Chief  
**CC:** Emma Karlen, Finance Director  
Michael Ogaz, City Attorney  
**From:** Bill Marion, Information Services Director  
Patricia Joki, Fire Marshal  
**Subject:** Justification for Permit Automation Fee  
**Date:** February 19, 2009

## **BACKGROUND:**

In 2006 Council approved an Online Permitting/Development System focused on providing online new development permitting capability to support the process improvement initiatives. This approval included collection of a permit automation fee to recover the costs of the development software.

In 2006 'off-the-shelf' software was not designed to capture both new development processes and fire department annual permit and inspection program data without extensive database reprogramming. Because of this, the fire department maintained its permit and inspection software, which at that time met the needs of the department, and used the new development software to capture data needed by Planning, Engineering and Building and Safety Departments.

## **DISCUSSION:**

Over the past two years, the fire department has identified redundant processes that can be eliminated in its inspection and fire permit process to streamline the program for the customer. The department proposes to mirror this in its database software while also making it current with today's technology. To accomplish these changes additional resources are necessary. This cost could be recovered through a permitting automation fee.

To estimate the amount of funding necessary, the fire department used a process similar to that employed by the building and safety department when determining funds needed for the online permitting/development system. The attached table shows cost calculations for hardware and software costs, hardware and software maintenance, and data conversion, along with the number of facilities the fire department routinely inspects, issues fire life-safety permits and/or approvals to, and planning projects reviewed and commented on. A total of approximately 5700 activities for the 2008 calendar year were conducted. Based upon the data above, it would require an estimated charge of \$ 11.28 per project reviewed, permit issued or fire department inspection conducted to recover annual estimated costs within a 3 year time period.

The recovery period could be extended to five years with a cost of \$ 6.77 to lessen the impact to applicants. The fee would apply to:

- Fire Life-Safety Construction Permits
- Fixed Fire Extinguishing System Permits
- Fixed Fire Detection and Alarm System Permits
- Engineering Reviews
- Planning Reviews
- Annual Code Permit Inspections
- Annual Life-Safety Inspections

For this fee, the customer would have the ability to view plan check status, comments and inspection results and view historical inspection data online and also schedule an inspection based upon their availability.

Additional benefits include:

- Provide a higher level of service to citizens, the business community, builders and developers.
- Information will be more readily and more quickly available and will streamline inspection and plan check staff data entry to more effectively utilize technology and provide one-stop access to records for both fire department and building and safety department personnel use.
- It will bring fire department databases current with technology.
- Comply with State statute requiring compliance for hazardous material inventory statement and hazardous material business plan reporting.
- Provide emergency responders immediate electronic access (24/7) to emergency response information.
- Further the City's current 'green' practice of reducing paper resources, storage costs, staff time and costs by making information available electronically.

While the fee does represent an increase in the overall monetary cost to an applicant or business, it will more than repay the customer with time savings and improved service. The City will benefit in that existing staff will be made more productive and the overall experience of doing-business-in-Milpitas will be improved, making the City more attractive for future development and business activities.

FIRE DEPARTMENT PERMIT AUTOMATION FEE ESTIMATED COSTS

<b>TOTAL SOFTWARE, HARDWARE, SERVICES COSTS</b>	
Costs for software maintenance and upgrades	\$10,500
Cost for new server	\$7,500
New hardware	
• Desktop PC's	\$20,000
• Tablet PC's	\$5,000
Cost for	
• Database conversion for tablet P/C	\$150,000
• Preparation of reports (15+)	
• Updates for program & code changes	
• Support (\$ 123/hour)	
<b>TOTAL</b>	<b>\$193,000</b>
<b>ANNUAL ACTIVITIES</b>	
Number of activities per one year time frame:	
Hazardous material plan checks and inspections	150
Life-safety plan checks and inspections	2600
Annual permits & inspections	1000
Engine Company life-safety inspections	2000
<b>TOTAL</b>	<b>5700</b>

**ANNUAL COST PER ACTIVITY**

Cost recovery 3 years	\$11.28 per activity
Cost recovery 4 years	\$8.50 per activity
Cost recovery 5 years	\$6.77 per activity

**Date:** March 4, 2009  
**To:** Commander Charlotte Pang  
**From:** Lieutenant Henry Kwong  
**Subject:** **Administrative Tow Fee**



*Dennis Graham*  
*Chief of Police*

On April 4, 2000, the Milpitas City Council adopted Resolution No. 6988, which included the setting of an Administrative Tow Fee of \$150.00 pursuant to section 22850.5 of the California Vehicle Code to charge administrative costs relating to the removal, impound, storage, or release of impounded vehicles. The costs include the salaries of the involved personnel, and a recent review of the costs might warrant an increase in the Administrative Tow Fee. The current costs are as follows:

1. **Vehicle Stop & Impound** (including citation or physical arrest, vehicle search, completion of vehicle impound form, possible prisoner transport to the main jail, etc.)  
(2 officers) x (.75 hour) x (\$205/hour) = \$307.50
  2. **Report Writing** (including review of CDL record, vehicle registration, SVS entry, etc.)  
(1 officer) x (.25 hour) x (\$205/hour) = \$ 51.25
  3. **Dispatcher Assistance** (including radio traffic, computer queries, SVS entry & verification, etc.)  
(1 dispatcher) x (.25 hour) x (\$159/hour) = \$ 39.75
  4. **Records Processing** (including case assembly, data entry, JBAT entry, certified mailing, court filing preparation, etc.)  
(1 records clerk) x (1 hour) x (\$140/hour) = \$ 140.00
  5. **Hearing Officer** (including case review, interview, notification, etc.)  
(1 officer) x (.50 hour) x (\$205/hour) = \$ 102.50
- TOTAL: \$641.00**

\*\*The hourly rates above represent the fully loaded rate.

RESOLUTION NO. 6988

A RESOLUTION OF THE OF THE CITY COUNCIL OF THE CITY OF  
MILPITAS ESTABLISHING A TRAFFIC OFFENDER FUND AND  
SETTING AN ADMINISTRATIVE TOW FEE

WHEREAS, the City of Milpitas has submitted a Grant application for a "Vehicle Impound and Traffic Safety Program" with the State of California Business, Transportation and Housing Agency Office of Traffic Safety; and

WHEREAS, the Traffic Safety Grant is intended to provide for the development of a traffic program within the City of Milpitas Police Department, with a goal of reducing injury and fatal traffic collisions and to accomplish those other objectives of the vehicle Impound and Traffic Safety Program as more specifically set forth in the Grant Application for the Program; and

WHEREAS, in order to accomplish the goals and objectives of the Vehicle Impound and Traffic Safety Program, the City Council must establish a Traffic Offender Fund and set an Administrative Tow Fee.

NOW, THEREFORE, BE IT RESOLVED, that the Milpitas City Council hereby authorizes:

1. Establishment of a "Traffic Offender Fund" in accordance with the following:

TRAFFIC OFFENDER FUND

Establishment of fund. There is hereby established a special fund for the purpose of receiving and expending fees collected for the impoundment of a vehicle towed pursuant to the Vehicle Impound and Traffic Safety Program. Said special fund shall be known and designated as the "Traffic Offender Fund".

Expenditure of Monies. The appropriation of all monies in the Traffic Offender Fund ("Fund") shall be made exclusively for the purposes of the Vehicle Impound Traffic Safety Program ("Program"). The Program shall include enforcement of, education for, and prosecution of a suspended or revoked driving privilege, unlicensed driver, and persons driving under the influence of alcohol or drugs. Expenditures shall include, but not be limited to, purchase of equipment, contractual services, material and supplies, any other technology necessary to prosecute the case, and personnel costs.

Accumulation of Monies in the Fund. The balance remaining in the Traffic Offender Fund at the close of any fiscal year shall be deemed to have been provided for a specific purpose and shall be carried forward and accumulated in said fund for the purposes stated herein.

2. Dedicating Administrative Tow Fee revenue to the "Traffic Offender Fund";
3. Setting an Administrative Tow Fee of \$150.00.

PASSED AND ADOPTED this 4<sup>th</sup> day of April, 2000, by the following vote:

AYES: (5) Mayor Manayan and Councilmembers Lawson, Dixon, Esteves, and Livengood

NOES: (0) None

ABSTAIN: (0) None

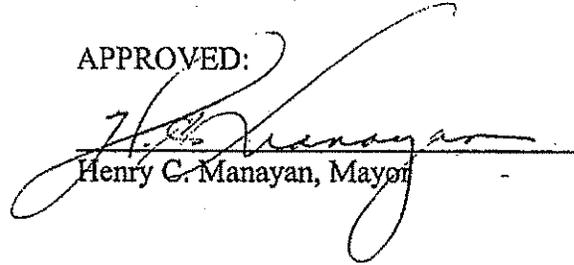
ABSENT: (0) None

ATTEST:



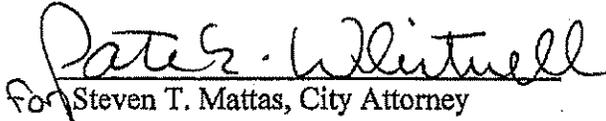
Gail Blalock, City Clerk

APPROVED:



Henry C. Manayan, Mayor

APPROVED AS TO FORM:

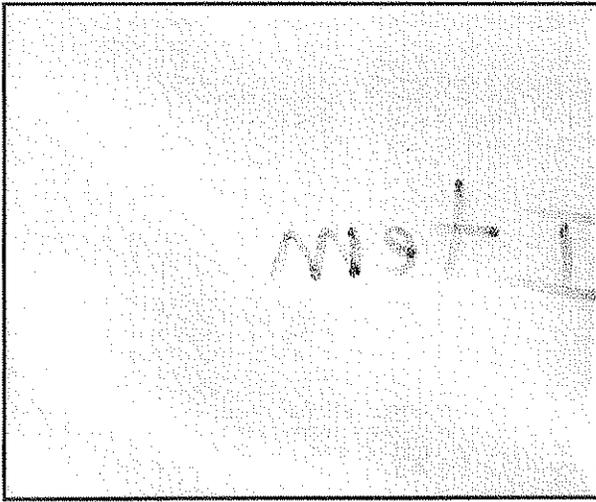


for Steven T. Mattas, City Attorney

Agenda Item

B

3/18/09 FSC



abney A  
of

10/31/09



# Milpitas Parks & Recreation Services Department

**To:** Finance Sub Committee  
**Through:** Tom Williams, City Manager  
Bonnie Greiner, Parks & Recreation Services Director  
**By:** Rosana Cacao, Acting Recreation Services Supervisor  
**Subject:** Proposed Changes to Facility Use Rules and Regulations and Master Fee Schedule  
**Date:** February 20, 2009

**Background:** Milpitas Parks and Recreation Services has been utilizing the current Facility Use Rules and Regulations and Master Fee schedule since 2004. Staff is recommending that the Facility Use Rules and Regulations and Master Fee schedule be updated to reflect the overhead costs of processing facility rental applications and to stay comparable to our surrounding cities facility rental policies and fees.

Recreation Services Staff met with the City Attorney's Office and City's ABAG Representative, Cathie Bigger Smith, who also made some recommendations to change some of the language in the Facility Use Rules and Regulations to provide further clarification in some areas and further limit the city's liability for facility rentals.

In addition, Staff has made some revisions and additions to the Facility Use Rules and Regulations and Master Fee Schedule to reflect changes in office hours/procedures provide more detailed clarification in certain areas (i.e. cancellation policy) and be comparable in fees to surrounding cities.

Attached is a copy of the Facility Use Rules and Regulations and Master Fee Schedule with proposed additions and changes indicated in red. The stricken wording is proposed to be deleted.

**Recommendation:** Approve additions, deletions, and changes to the Facility Use Rules and Regulations and Master Fee Schedule. Forward recommendation to City Council.



**MILPITAS**  
**Parks & Recreation**  
**Services Department**

The Opportunities Are Endless...

Milpitas Community Center, 457 E. Calaveras Blvd., (408) 586-3210  
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Milpitas Teen Center, 1325 E. Calaveras Blvd., (408) 586-3296  
Milpitas Park Maintenance, 1265 N. Milpitas Blvd., (408) 586-2600

# Milpitas Recreation Services Park Facility Fee Schedule

As of January 2004, the following fees are in effect for reservations and rentals of City parks and outdoor facilities.

Milpitas residents, groups or businesses may reserve a picnic area one (1) year prior to date of use.  
 Non-Milpitas residents, groups or businesses may reserve a picnic area six (6) months prior to date of use.  
 By reserving a picnic area, you have first priority to the picnic tables and barbeque pits, the rest of the park is open to the public.

All picnic reservations and picnic kits must be made in person during business hours at the Milpitas Community Center, 457 East Calaveras Blvd. (408) 586-3210 a minimum of 5 days prior to date of use. All athletic field or tennis court rentals must be made in person during business hours at the Milpitas Sports Center, 1325 East Calaveras Blvd. (408) 586-3225. No reservation will be considered confirmed until all fees have been paid. All payments must be made in person. Payments must be in the form of cash, cashier's check, money order, or VISA/MC/Discover. Depending on the type of event, additional charges and/or insurance may be required. All facility use rules and regulations and park ordinances will apply.

**Cancellation Policy:** Refunds will not be issued for canceled park/picnic reservations. Reservations that cannot be held due to inclement weather will be issued a credit toward a rescheduled reservation. Applicant is responsible for contacting Recreation Services within 7 business days to initiate credit. You may re-schedule reservation or receive a credit towards future Recreation programs or facility rentals minus the \$15 non-refundable application fee.

AREA	MILPITAS RESIDENT	NON-RESIDENT
Small Picnic less than 50 capacity	\$35.00 per day / area*	\$49.00 per day / area*
Large Picnic 50+ capacity**	\$55.00 per day / area*	\$69.00 per day / area*
Softball/Baseball Field no lights	\$ 4.00 / hour	\$ 20.00 / hour
Softball/Baseball Field w/lights	\$ 9.00 / hour	\$30.00 / hour
Attendant Fee	\$15.00 / hour	\$15.00 / hour
Picnic Kits	\$12.50 per kit/day**	\$25.00 per kit/day**
Picnic Kit Late Fee	\$10.00 / day	\$10.00 / day
Application Fee (non refundable)	\$15.00	\$15.00

Picnic rentals receive 2 free hours of softball field (if available) use with their reservation at parks with reservable fields. There is a 2-hour minimum for all field rentals. A two-hour attendant fee will be charged on all requests for fields with lights

Fees listed above do not apply to tournaments, festivals or fundraisers. All tournaments, festivals or fundraisers require pre-authorization prior to a reservation being issued. Should you be interested in holding one of these activities, please request the appropriate fee schedule.

Large parks (Cardoza, Dixon Landing, Gill, and Murphy)\*\*

Fees approved by City Council 10/01/02

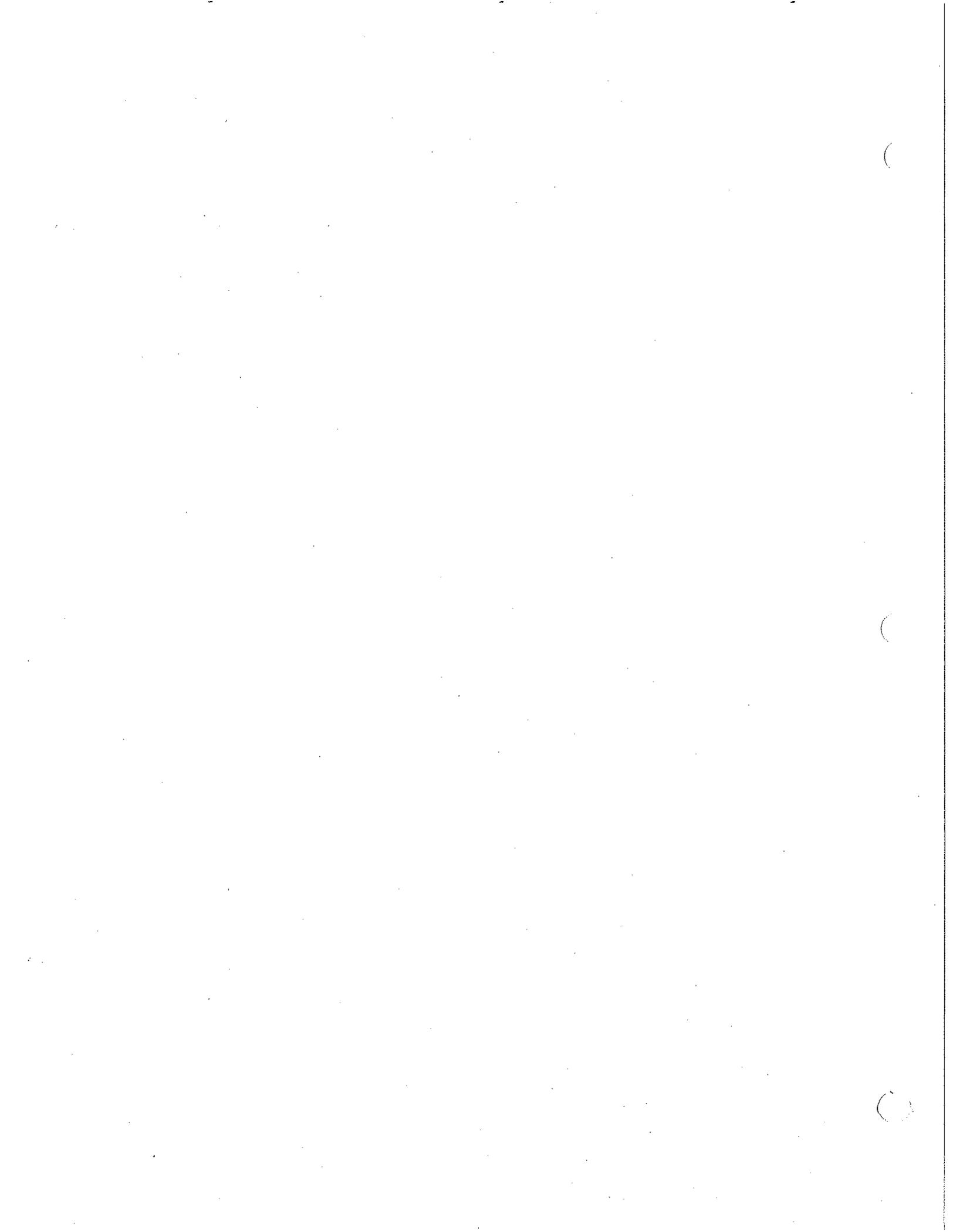
*\*Depending on the type of event, additional charges and/or insurance may be required. This fee includes the \$15 non-refundable application fee.*

*\*\* There are no refunds issued for picnic kit rentals. The fee is non-refundable.*

**PLEASE NOTE: FEES ARE SUBJECT TO CHANGE**

Fee Changes - Benchmark Cities

	Application Fee (per app.)	Rental Deposit (per rental)		Tennis Courts (per hour)		Sports Field (w/o lights)		Sports Field (w/lights)					
		Res. Non Profit	Resident	Non-Res.	Res.	Non-Res.	Res	Non-Res	Res	Non-Res			
City of Milpitas													
Current Fees	\$15.00	\$150	\$250	\$350	\$3.75	\$8.00	\$4.00	\$20.00	\$9.00	\$30.00			
Proposed Fees	\$20.00	\$500	\$500	\$500	\$10.00	\$14.00	\$20.00	\$50.00	\$30.00	\$60.00			
Campbell	\$45.00	\$300	\$300	\$300	\$15.00	\$25.00	\$25-\$50	\$40-\$75	no lights	no lights			
Cupertino	\$25.00	\$750	\$750	\$750	-	-	\$50	\$100	no lights	no lights			
Mountain View	\$0.00	\$535	\$535	\$535	\$7.25	\$10.75	\$27.75	\$27.75	\$27.75	\$55.25			
San Jose	\$50-\$100	\$500	\$500	\$500	-	-	\$14	\$14	\$44.00	\$44.00			
Santa Clara	\$0.00	-	-	-	\$7.00	\$8.00	-	-	-	-			
Sunnyvale	\$0.00	\$500	\$500	\$500	\$8.00	\$10.00	\$25	\$40.00	\$60.00	\$75.00			
Average Fees	\$35.00	\$517.00	\$517.00	\$517.00	\$10.25	\$13.44	\$28.35	\$51.35	\$53.09	\$58.09			



## **City of Milpitas Park Use Rules and Regulations**

All groups using City park facilities on a permit basis must adhere to City of Milpitas Facility Use Rules and Regulations and the following Park Rules.

1. All posted park rules and regulations must be followed.
2. All garbage must be placed in the trashcan receptacles by the user group.
3. No private motor vehicles of any type are allowed on park property - even for unloading.
4. Any broken glass must be disposed of properly.
5. No amplified music is allowed on park property without appropriate entertainment permit.
6. The picnic area is reserved for your use to assure that picnic tables and BBQ pits will be available for your group when you arrive. The permit is for exclusive use by your group.
7. At parks with designated softball fields, permits include exclusive use of these fields by your group, for a maximum of two hours providing availability.
8. No electricity is available at any City park facility.
9. All alcoholic beverage policies, as outlined in the City Facility Use Rules and Regulations, must be followed.
10. By City ordinance, beer or wine is permissible for adults (21+ years) in City parks when consumed with picnic meals in designated picnic areas with exception of youth functions. Alcoholic beverages are forbidden on any athletic field, tennis courts or within 10 yards of designated bleacher, sideline or playing areas. As stated in the California state law, alcoholic beverages are forbidden on school property. This law applies to the softball facility at the Rancho Junior High School. Sale of beer or wine is allowed, or other alcoholic beverages subject to the above location restrictions, and upon prior approval of the Milpitas Police Department and the acquisition of a valid permit by the user group from the Alcoholic Beverage Control Board, 100 Paseo de San Antonio, San Jose, CA (408) 277-1200.
11. Parks are closed at 12 midnight - 6:00 a.m. unless otherwise posted.
12. We recommend posting reservation signs by 8:00 a.m. the day of your event as some individuals may be unaware that reservations are accepted for picnic tables and BBQ pits.
13. Keep your copy of the permit with you at the event as proof of site reservation.

Fees approved by City Council 10/1/02

# CITY OF MILPITAS – MASTER FEE SCHEDULE

DEPARTMENT OF DIVISION	DESCRIPTION OF FEE, RATE OR CHARGE	CURRENT FEE AMOUNT FEE STRUCTURE	OBJECTIVE (If User Fee or Fee)	DATE/FEE LAST CHANGED
Recreation	GENERAL RENTAL INFORMATION	See below	1,2	Res No. 7426 7/6/04

**GENERAL RENTAL INFORMATION**

1. Rental facilities may be viewed during regular business hours, by appointment only, provided no other functions are scheduled. To make an appointment please call the desired rental facility.
2. No phone, mail or fax reservations are accepted. Rental permits available for Community Center, City Hall, Special Events & Equipment, ~~Liguera Adobe building & Parks~~: Community Center, 457 East Calaveras Blvd., Monday-Thursday, 8:00 am to 6:00 pm, Friday, 8:00 am to 5:00 pm., 408-586-3210. Sal Cracolice (Temporary Senior Center), 540 S. Abel, Monday - Friday, 9:00 am to 4:00 pm., 408.666.2775. Sports Center & Sports Fields and Teen Center: Sports Center, 1325 E. Calaveras Blvd., Monday - Thursday, ~~5:30 am to 9:00 pm~~, Fridays, ~~5:30 am to 5:00 pm~~, Saturday, 8:00 am to 1:00 pm., 408-586-3225. Milpitas Police Department Community Room: Police Department, 1275 N. Milpitas Blvd., Monday-Friday, 8:00 am to 5:00 pm., 408-586-2400, resident use only.
3. Entertainment Event permits must be obtained in person at the City Clerk's Office, located at 455 E. Calaveras Blvd., Monday - Friday, 8:00 am to 5:00 pm. Facilities may be reserved for use anytime from 7:00 am to 12 midnight with the exception of the Police Department Community Room, which is available for residents only from 8:00 am to 11:00 pm. Rental fees are charged from the time you or your caterers, florists, etc. enter the facility until your function is over. When planning your rental times, be sure to include setup time for decorating, caterers, florist, etc.

**RESERVATIONS TIMELINE**

1. The City of Milpitas must receive a Facility Use Application, a cleaning & damage deposit and an application fee before any function may be scheduled (at the appropriate location above). All fees must be paid in the form of a cashier's check, money order, cash or VIS/AMC. Cashier's check or money orders must be payable to: City of Milpitas. No personal checks will be accepted. Final rental fees, set-up diagram, proof of insurance (if applicable) are due 30 days prior to the rental date and must be paid in person.
2. Reservations can be made according to these timelines: Milpitas Residents – (two forms of proof of residency required, photo ID & current utility bill) Up to 1 year in advance; Non Residents – Up to 6 months in advance; Resident Non-Profits, See guidelines below.

**RESIDENT NON-PROFITS/ORGANIZATION TIMELINE**

- Organizations may reserve up to three dates on one application. Resident non-profits must submit, every January, the following:
- a. A current roster with 51% or more Milpitas Residents and a letter verifying current non-profit status.
  - b. A letter listing two (2) individuals authorized to make reservations, changes or cancellations.
  - c. A mission statement of the organizations purpose.

**For Non-Profit Meetings In**

January-March	Non-Profit Application Accepted
April-June	December 1
July-September	March 1
October-December	June 1
	September 1

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# CITY OF MILPITAS – MASTER FEE SCHEDULE

DEPARTMENT OF DIVISION	DESCRIPTION OF FEE, RATE OR CHARGE	CURRENT FEE AND FEE STRUCTURE	OBJECTIVE	DATE FEE LAST CHANGED
Recreation	FACILITY USE RULES AND REGULATIONS FOR INDOOR & OUTDOOR FACILITIES	See below	1- RECREATION COST 2- USER FEE 3- PARENTS ENTRY	Res No. 7426 7/6/04

## FACILITY USE RULES AND REGULATIONS FOR INDOOR & OUTDOOR FACILITIES

### I. PRIORITIES

Priorities are designed to determine fee and reservation status. For reservation status see rule 2.4 and 2.5.

1.1 To provide for public activities in the best interest of the Community, City facilities will be reserved in accordance with the following group priorities:

Priority I. City administered programs.

1. No deposit
2. No rental fee
3. No Staff fee
4. No application fee

Priority II. Programs or activities for Senior Citizens and approved co-sponsored groups which are principally composed of local residents (51% or more) private or public schools located in the Milpitas City, the Milpitas Chamber of Commerce and governmental agencies. (excluding staff trainings, poll worker training, staff retirement parties).

1. No deposit
2. Rental fee
3. Staff fee according to fee schedule
4. Application fee (non-refundable)
5. Any applicable insurance and processing fees that may apply

Priority III. Non-profit groups that are organized for recreational, social, cultural, religious or civic purposes and whose membership is principally composed of local residents (51% or more) or whose National charter is based in Milpitas.

1. Facility deposit according to the fee and deposit schedule
2. Rental fee according to fee schedule
3. Staff fee according to fee schedule
4. Application fee (non-refundable)
5. Any applicable insurance and processing fees that may apply

Priority IV. Any other group, business or individual resident of the City of Milpitas.

1. Facility deposit according to the fee and deposit schedule
2. Rental fee according to fee schedule
3. Staff Fee according to fee schedule
4. Application fee (non-refundable)
5. Any applicable insurance and processing fees that may apply

Priority V. Any non-resident group, business or individual.

1. Facility deposit according to the fee and deposit schedule
2. Rental fee according to fee schedule
3. Staff Fee according to fee schedule
4. Application fee (non-refundable)
5. Any applicable insurance and processing fees that may apply

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# CITY OF MILPITAS -- MASTER FEE SCHEDULE

DEPARTMENT OR DIVISION	DESCRIPTION OF FEE RATE OR CHARGE	CURRENT FEE AND FEE STRUCTURE	OBJECTIVE	DATE FEE LAST CHANGED
Recreation	FACILITY USE RULES AND REGULATIONS FOR INDOOR & OUTDOOR FACILITIES, continued	See below	1,2	Res No. 7426-7/6/04

**ii. RESERVATIONS/APPLICATIONS**

2.1 Permits for use of City facilities shall be issued by the City upon the approval of the City Manager or his or her authorized representative and shall be consistent with City regulations governing such use.

2.2 The use of those facilities shall not be inconsistent with other such use for City purposes or interfere with the regular conduct of City programs. City sponsored programs shall receive first priority over use by any other group or organization. The City reserves the right, if necessary, to preempt, or revoke permit (if previously issued) for the use if for any reason it becomes unavoidably necessary for City to utilize said facility or facilities at the same time. If and when such action is necessary, the City will give applicants as much advance notice as possible.

2.3 Permits for use of the Milpitas Community Center, Teen Center, City Hall, Special Events/Equipment, Adobe building and all parks, must be obtained in person at the Milpitas Community Center, 457 E. Calaveras Blvd., Monday through Thursday, 8:00 am to 6:00 pm and Fridays, 8:00 am to 5:00 pm. Amplified music in the parks is prohibited, however, exceptions may be granted by the City Manager.

Permits for the use of the Milpitas Sports Center (gymnasium, surfing fields for football, baseball, softball or soccer, tennis courts, pools) and Teen Center must be obtained in person at the Milpitas Sports Center, 1325 E. Calaveras Blvd., Monday through Thursday, 5:30 am to 9:00 pm, Friday, 5:30 am to 5:00 pm and Saturday, 8:00 am to 1:00 pm.

Permits for the use of the Sal Cracolice building (temporary Senior Center) must be obtained in person at the Sal Cracolice Building, 540 S. Abel, Monday through Friday, 9:00am to 4:00pm.

Permits for use of the Milpitas Police Department Community Room must be obtained in person at the Police Department, 1275 N. Milpitas Blvd., Monday through Friday, 8:00am-5:00pm (Residents Only).

Entertainment Event permits must be obtained at the City Clerk's Office, located at 455 E. Calaveras Blvd., Monday through Friday, 8:00 am to 5:00 pm.

2.4 Applications for use of City facilities will not be accepted more than one (1) year to the date prior to proposed use for Priorities II-IV. Priority V applications will not be accepted more than six (6) months prior to the proposed use. Applications will not be accepted with less than thirty (30) days prior to the proposed date, unless authorized by the City Manager or his or her authorized representative.

In cases where the earliest date to reserve a facility falls on a weekend (Saturday or Sunday) or City holiday, reservations will be accepted on the preceding weekday. Should the preceding weekday be a City Holiday, applications will be accepted on the prior workday.

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**Deleted:** Priorities II & III may also reserve an indoor facility for monthly meetings once per month, (not to exceed four (4) hours), according to the following schedule: ¶  
 ¶ Community Center – Classrooms, Dance Room (only for groups who purpose defines necessity to perform) (Monday – Friday, 8 am to 10 pm.) ¶  
 ¶ Higuera Adobe – (Monday – Friday), 8 am to 10 pm. ¶  
 ¶ Senior Center - Classrooms – (Monday – Friday), 8 am to 10 pm. ¶

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# CITY OF MILPITAS – MASTER FEE SCHEDULE

DEPARTMENT OR DIVISION	DESCRIPTION OF FEE, RATE OR CHARGE	CURRENT FEE AND FEE STRUCTURE	OBJECTIVE (If Budget Cost is the Fee is Priority is Tax)	DATE FEE LAST CHANGED
Recreation	FACILITY USE RULES AND REGULATIONS FOR INDOOR & OUTDOOR FACILITIES, continued	See below	1, 2	Res No. 7426 7/6/04

2.5 A – Priority III Organizations may reserve up to three dates on one application and must submit an application according to the reservation schedule listed below. Groups may not use a facility without an application on file. Should additional maintenance or custodial services be required or the group exceeds the reserved rental hours, groups will be assessed additional fees or charges as necessary. Priorities II & III may reserve indoor facilities for special events or parties one (1) year to the date prior to the proposed use date under the set fee schedule and timeline of reserving such facilities.

For meetings in

Applications accepted

January - March	December 1
April - June	March 1
July - September	June 1
October - December	September 1

**2.5 B**

- a) Priority III groups may drop-off Facility Use application(s) with requested dates and times as outlined above during facility business hours.
- b) On the following business day, designated city representative will review all Priority III application with requested dates and times and distribute dates equally between any groups requesting the same dates available, city representative will do a lottery pull for any extra date and schedule accordingly. Applicants will be notified by mail regarding the status of application.
- c) Once the Facility Reservations are confirmed, the Priority III groups will be required to submit necessary applicable fees (i.e. application fee, deposit and rental fees according to the Master Fee Schedule within three (3) business days). Should payment not be received within three (3) business days, the dates will be released to any other group requesting them. (approved by City Council October 16, 2007)

**2.6**

All applications for use must be signed by an adult (18-year minimum age) and said adult shall agree to be responsible for facility use. Groups composed of minors 17 years of age and under must be supervised by one (1) adult for each 15 minors. All activities must have adult supervision to ensure adequate control. (Please Refer to rule 5.4, regarding no alcohol at youth functions). The applicant must be present at all times during the rental. At the beginning of rental, applicant and facility attendant shall meet to review pre-facility inspection guidelines. Prior to leaving the facility, applicant and facility attendant shall confer and sign off on the facility inspection report.

**2.7**

No permit will normally be issued for a period longer than one (1) day. Applicants may reserve a facility for consecutive days whenever the facility is in the periods of minimal demand. Buildings are closed on all holidays observed by the City of Milpitas. Picnic reservations and indoor facility reservations are not accepted for New Years day, Martin Luther King Jr.'s Birthday, Lincoln's Birthday, Presidents' Day, Easter Sunday, Memorial Day, July 4<sup>th</sup>, Labor Day, Veteran's Day, Thanksgiving, Friday following Thanksgiving, Christmas Eve, Christmas Day and New Years Eve.

**2.8**

A staff person shall be required for a facility where permits are granted involving the opening and closing of a building or park. Charges for necessary City Personnel will be assessed according to master fee schedule. If more than 150 people are scheduled to attend, two staff may be required.

**2.9**

No rental shall begin prior to 7:00 am and all activities shall cease at 12:00 am, unless prior approval has been received from City Manager, or his or her authorized representative.

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# CITY OF MILPITAS -- MASTER FEE SCHEDULE

DEPARTMENT OR DIVISION	DESCRIPTION OF FEE, RATE OR CHARGE	CURRENT FEE AND FEE STRUCTURE	OBJECTIVE (FUNCTION COST, Priority, etc.)	DATE FEE LAST CHANGED
Recreation	FACILITY USE RULES AND REGULATIONS FOR INDOOR & OUTDOOR FACILITIES, continued	See below	1,2	Res No. 7426 7/6/04

### III. FEES AND CHARGES

- 3.1 Current rates are established by the Milpitas City Council. City Staff does not have the authority to deviate from these rates.
- 3.2 No reservation will be accepted without the specified application fee (non-refundable), cleaning and damage deposit. The deposit must be in the form of a cashier's check, money order, cash or by VISA/MC (personal checks are not accepted). The deposit is refundable after the use date and will be returned to the applicant by mail in the form of a City check in approximately 30 days, unless damages, additional maintenance or services were assessed. Additional insurance and fees may apply. Deleted: Discover
- 3.3 Charges begin when a facility is entered for any purpose, i.e. decorating, catering, set-up, etc. Groups will be assessed charges according to their reservation priority, nature of activity and/or services and staff required. Hours of use may not be changed less than 30 days prior to rental date. Additional insurance, security guard, and fees may be required depending on the type of function. If use begins or continues beyond the approved time, additional fees shall be deducted from the cleaning and damage deposit. In cases where a cleaning and damage deposit has not been required, the user group will be billed. Fees will not, however, be pro-rated for events or activities that finish prior to there approved times.
- 3.4 Rental fees shall be paid at least 30 days in advance of permit use date, or permit shall be declared invalid. Payment must be made by cashier's check, money order, cash, or by VISA/MC. Cashier's check or money orders must be made payable to: CITY OF MILPITAS. Cleaning and Damage Deposit will be returned by City check in approximately 30 days, unless damages, additional maintenance or services are assessed. Checks are returned to the person on the Rental Application Form. Please contact us ASAP should address changes occur. Deleted: Discover
- 3.5 Waiver of rental fees or deposits must be approved by City Council. Personnel costs for staff, insurance fees, and application fees are not eligible to be waived. To seek waiver, applicant must submit a written request at least 90 days prior to the proposed date of use. Request will be reviewed by City Council at a regularly scheduled City Council meeting.
- 3.6 A confirmed rental means no rental will be considered a confirmed rental without the following:
  - A. A completed, signed and approved Facility Use Application on file.
  - B. Payment of appropriate Cleaning and Damage Deposit, Application Fee and applicable insurance fees (if necessary).
  - C. Signed Important Reminders For Permit Applicants on file.
  - D. Signed Rental Applicant Clean Up & Decorating Policies Responsibilities on file.
 Groups participating in City sponsored leagues or City co-sponsored programs are exempt from fees and deposits for regularly scheduled games or activities. Stated fees and deposits will apply for all other use of facilities by such groups. Deleted: Confirmed Rental  
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# CITY OF MILPITAS -- MASTER FEE SCHEDULE

DEPARTMENT OR DIVISION	DESCRIPTION OF FEE, RATE OR CHARGE	CURRENT FEE and FEE STRUCTURE	OBJECTIVE (Reserve Cost, Reserve Fee, Penalty, Tax)	DATE FEE LAST CHANGED
Recreation	FACILITY USE RULES AND REGULATIONS FOR INDOOR & OUTDOOR FACILITIES, continued	See below	1, 2	Res No. 7426 7/6/04

3.8 Facility cancellation of the Milpitas Community Center, City Hall Building, Plaza and Grounds, Sports Center Fields/Pools, Adobe, Sal Cracolice building, Senior Center, Police Department Community Room, or City park, must be done in writing on forms provided by the City. Cancellation forms will be accepted in person only at the location where the rental was made. No mail, facsimile or phone cancellations will be accepted. All facility application cancellations will forfeit the \$15 application fee.

A. Full refund of deposit will be granted provided a cancellation is made within 30 days of deposit. And there are 160 days remaining until the approved rental date.

\_\_\_\_\_ If cancellation is made with more than 160 days remaining until the proposed use date, 25% of the deposit will be forfeited.

\_\_\_\_\_ If cancellation is made with 120-159 days remaining until the proposed use date, 50% of the deposit will be forfeited.

\_\_\_\_\_ If cancellation is made with 90-119 days remaining until the proposed use date, 75% of the deposit will be forfeited.

\_\_\_\_\_ If cancellation is made with 5-90 days remaining until the proposed use date, the entire deposit will be forfeited.

B. Should the City cancel said reservation a full refund will be issued.

C. Should a request for a change of rental date be made, a rescheduling fee of \$100 will be charged providing the date and staff availability, and there are 45 days remaining prior to the original scheduled date.

D. (Does not apply as there are no free rentals)

E. Any group not abiding by the Facility Use Rules and Regulations will forfeit entire rental deposit.

F. Refunds will not be issued for canceled park/picnic reservations. Reservations which cannot be held due to inclement weather will be issued a credit toward a rescheduled reservation. Applicant is responsible for contacting Community Center within 7 business days to initiate credit. You may re-schedule a reservation or receive a credit towards future Recreation Programs or facility rentals minus the \$15 non-refundable application fee.

3.9. Depending on the nature of your event (i.e., alcohol being served, attendance at event, collection of money, youth function, fundraising event open to the public, which includes presold tickets, etc.) security guards and liability insurance may be required at the discretion of City Manager or his or her authorized representative. A copy of the security guard contract must be submitted 45 days prior to event.

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# CITY OF MILPITAS -- MASTER FEE SCHEDULE

DEPARTMENT OR DIVISION	DESCRIPTION OF FEE, RATE OR CHARGE	CURRENT FEE AND FEE STRUCTURE	OBJECTIVE (If Priority Class is Indicated, Priority is 1-30 Days in Advance)	DATE FEE LAST CHANGED
Recreation	FACILITY USE RULES AND REGULATIONS FOR INDOOR & OUTDOOR FACILITIES, continued	See below	1, 2	Res No. 7426 7/6/04

**IV. FUND-RAISING**

Priority II and III

4.1 Groups wishing to use City facilities for fund-raising events and/or activities will be charged according to priority II & priority III, according to non-profit facility use fee schedule

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4.2 Concessions, other than City operated, will be subject to the approval of the City Manager or his or her authorized representative and must possess a valid City of Milpitas business license and any other applicable state, county or federal permit. Concessions will be defined as the sale of any food, beverage, souvenir item or service (i.e. face painting). Copies of said permits and licenses must be submitted a minimum of 45 working days in advance of permit use date. Food being sold to the public requires a Health Permit obtainable from the County of Santa Clara's Health Department and must be submitted to the City 30 working days prior to permit use date.

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4.3 Any person sponsoring, promoting, operating, etc. an entertainment activity (outside), open to the public, charging admission or as described in the Milpitas Municipal Code (Title III, Chapter 5, Entertainment Event) may be required to obtain an Entertainment Permit. Permit information and applications are available at the City Clerk's Office, 455 E. Calaveras Blvd., Monday-Friday, 8:00 am - 5:00 pm. If required, Entertainment Permit must be obtained prior to receiving rental permit.

**V. SMOKING/ALCOHOL**

5.1 By City ordinance, smoking is not permitted in any City Facility or within 25 feet of the facility.

5.2 Smoking or alcohol consumption is not permissible in the Milpitas Sports Center gymnasium or on the pool deck.

5.3 Serving or selling alcohol must cease one hour prior to the ending time as stated on the permit.

5.4 As a host of the event, if you are serving/selling alcohol, you are responsible and potentially liable for the safety of your guests at the event and while still under the influence of beverages. You should maintain strict control over alcohol service and assure guests are able to safely return home after the party. This is not the responsibility of the facility attendant.

5.5 No alcoholic beverages may be served or sold at youth-oriented events or events held in honor of a minor such as birthday parties, baptisms, dances, graduations, coming out parties, quinceañeras, bar/batmitzvas or presentations. A youth activity is any activity designed for individuals under the age of 21 years. The designation of such an activity will be at the discretion of the City Manager or his or her authorized representative.

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5.5 By City ordinance, beer or wine is permissible for adults in City parks unless otherwise posted. California State law expressly forbids alcoholic beverage of any kind at the Russell Middle School softball facility under any circumstances as it is located on school property. Sale of beer or wine is allowed or other alcoholic beverages subject to the above location restrictions and upon approval of the Milpitas Police Department and the acquisition of a valid permit by the user group from the Alcoholic Beverage Control Department, 100 Paseo de San Antonio, San Jose, CA (408) 277-1200. Alcohol permit is due 30 days in advance of the permit date. Additional insurance is required. All permits requiring insurance will be assessed a \$15 insurance processing fee.

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# CITY OF MILPITAS – MASTER FEE SCHEDULE

DEPARTMENT OF DIVISION	DESCRIPTION OF FEE, RATE OR CHARGE	CURRENT FEE and FEE STRUCTURE	OBJECTIVE (1-Reduce Cost 2-Reduce Risk 3-Penalty 4-Tax)	DATE FEE LAST CHANGED
Recreation	FACILITY USE RULES AND REGULATIONS FOR INDOOR & OUTDOOR FACILITIES, continued	See below	1,2	Res No. 7426 7/6/04

## VI. DECORATIONS

- 6.1 All decorations must be flame retardant treated.
- 6.2 No decoration can be stapled, tacked or taped to any amenities (i.e. walls, windows, grounds, flag poles, or ceiling.). All free standing decorations must not be placed in walkways or impede egress creating a tripping hazard in any way.
- 6.3 No confetti, birdseed or rice may be thrown in or outside of any building.
- 6.4 The building or equipment in the building may not be altered in any way without consent of the Staff on duty (i.e. moving existing equipment).
- 6.5 Colored punch may not be served at the Community Center and City Hall.
- 6.6 No candles, lanterns, incense or open flames are allowed in any building. (excluding Sterno)

## VII. SET-UP/CLEAN-UP

- 7.1 If after an activity, additional maintenance is required other than what is considered normal and/or equipment is left damaged, the user group will be charged accordingly.
- 7.2 City facilities must be protected by the user from damage or mistreatment. Groups using City facilities must be responsible for the condition in which the facility and its equipment are left. Groups must leave the facility free of litter, such as paper, food or drink and if decorations are to be used, they must be approved in advance by the City and removed before the group leaves.
- 7.3 At least 30 days before the permit use date, the user group must submit a room set-up diagram.
- 7.4 Upon leaving the facility each group must see that trash is placed in appropriate receptacles, that restrooms and parking lots are free of litter and unwanted debris and that the facility is returned to its original condition. Tables must be cleared and decorations removed.
- 7.5 Kitchen must be thoroughly cleaned, if used. Staff shall provide necessary custodial services such as mopping floors and emptying garbage cans after above items have been completed. It is required that the rental applicant check in and out with staff and complete a pre and post inspection form upon arriving/leaving the facility.

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# CITY OF MILPITAS -- MASTER FEE SCHEDULE

DEPARTMENT OR DIVISION	DESCRIPTION OF FEE RATE OR CHARGE	CURRENT FEE AND FEE STRUCTURE	OBJECTIVE	DATE FEE LAST CHANGED
Recreation	FACILITY USE RULES AND REGULATIONS FOR INDOOR & OUTDOOR FACILITIES, continued	See below	1,2	Res No. 7426 7/6/04

**VIII. SPECIAL SPORTS CENTER/ GYMNASIUM REGULATIONS**

- 8.1. No smoking or alcohol consumption is allowed in the gymnasium.
- 8.2. No food or beverages are allowed in the Milpitas Sports Center gymnasium.
- 8.3. Gymnasium participants must wear athletic type shoes and socks. (Hard soles or black soles are not permitted on the gymnasium floor.)
- 8.4. Gymnasium facilities will only be rented to groups for sporting activities or programs. Requests for non-sports related activities will not be granted.
- 8.5. Locker room facilities are not available.
- 8.6. Minors are not allowed inside the facilities without proper adult supervision.
- 8.7. No other type of equipment is allowed inside the gyms without prior consent of Recreation Services. No equipment other than fixed pieces of equipment are available.
- 8.8. Access is limited to that portion of the facility agreed upon and is restricted from all other areas.
- 8.9. Recreation Services shall be notified immediately of any maintenance problems or concerns, including vandalism and theft.
- 8.10. Dry mopping of the floor must be done after each use of the facility. All garbage must be taken care of promptly and thoroughly.
- 8.11. Facility should be left in the condition in which it was found.
- 8.12. Groups proposing to charge an admission fee must receive permission and also include explanation in the cover letter as to the amount of charge and what proceeds are to be used for which needs to be submitted at the time of reservation and subject to approval from the City Manager or his or her authorized representative and if not satisfied, to the City Council, whose decision shall be final.
- 8.13. Total gym capacity is not to exceed 600. Bleacher capacity is not to exceed 250 seated spectators.

**IX. SPECIAL POLICE DEPARTMENT COMMUNITY ROOM REGULATIONS**

- 9.1 Rental hours 8:00 am to 11:00 pm
- 9.2 Use of the facility shall be primarily for residents, groups or individuals. No non-resident group or non-resident individual use will be permitted.
- 9.3 No alcohol is permitted in the facility.
- 9.4 No parties may be scheduled for the facility.
- 9.5 Exceptions to any policy or regulation are subject to the approval of the Chief of Police or his or her authorized representative. The applicant must submit exception requests in writing. Decisions of the Chief of Police or his or her authorized representative may be appealed to the City Manager and if not satisfied, to the City Council, whose decision shall be final.

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# CITY OF MILPITAS – MASTER FEE SCHEDULE

DEPARTMENT OR DIVISION	DESCRIPTION OF FEE, RATE OR CHARGE	CURRENT FEE and FEE STRUCTURE	OBJECTIVE	DATE FEE LAST CHANGED
Recreation	FACILITY USE RULES AND REGULATIONS FOR INDOOR & OUTDOOR FACILITIES, continued	See below	1,2	Res No. 7426 7/6/04

**X. OPERATING PROCEDURES**

- 10.1. No food or beverages may be served in the dance studio at the Milpitas Community Center.
- 10.2. No barbecuing or use of propane stoves is allowed outside or near all City facilities unless in a designated fire pit at the Adobe Building. At the Adobe Building only electric charcoal starters or fluids made for the purpose of igniting charcoal may be used in the fire pit. Starters must be used according to the manufacturers instructions.
- 10.3. Groups granted use of City facilities shall use them only for such purposes as specified in facility use permit and shall limit use to the facility requested. Groups using additional facilities will be charged in accordance with the schedule of charges and such charges may be deducted from the cleaning and damage deposit.
- 10.4. Groups may use certain facility equipment, provided it is not removed from the premises. Use of equipment must be specified in facility use application. City approval is required for any removal or change in the location of any stage rigging or other equipment, structures, enclosures or utility connections. All equipment must remain inside all designated facilities (i.e. tables, chairs, etc.)
- 10.5. Facility Attendant is provided for the City to assist you with equipment/furniture needs and room set up. The attendant is not present in the meeting/party site at all times during your event. The attendant is not responsible for supervision of guests, security, law enforcement or conflict resolution. The attendant, if present, is instructed to call 911 if an emergency situation arises. You, as host, must assume responsibility for these and other unforeseeable possible situations.
- 10.6. Any person, public or private firm, organization or corporation, that owns, rents, leases, or manages facility that hosts a ticketed event for live entertainment shall make an announcement of the availability of emergency exits prior to the beginning of the live entertainment. Community Center marquee is to be used for City sponsored activities only. Exceptions must be approved by City Council. To seek exception, applicant must submit a written request at least 45 days prior to the proposed date of use. Requests will be reviewed by the City Council at a regularly scheduled City Council meeting.
- 10.7. Facility use shall not be granted:
  - a. To any group or individual, political or otherwise, that advocates the overthrow of the United States Government or the State of California by force, violence or other unlawful means.
  - b. When for any reason such use may not be in the best interest of the City and/or community, as determined by the City Manager or his or her authorized representative, whose decision may be appealed to the City Council.
- 10.8. Gambling, casino nights or any legal function or activity involving games of chance may be held in a City facility. The activity must, however, be open to the public and admission may not be charged. Donations may be accepted as long as access is not denied if a donation is not received.
- 10.9. The City of Milpitas is not responsible for accidents, injury, illness, or loss of group or individual property. The applicant agrees to indemnify at its own expense, and hold harmless the City, its officers, agents, volunteers, and employees from all costs, expenses, reasonable attorney fees, claims, liabilities or damages to persons or property that may arise during or be caused in any way by such use of occupancy of the facilities of the City of Milpitas. The applicant agrees to reimburse the City of Milpitas for any damage to said facilities occasioned by or growing out of the use herein requested and to abide by the rules and regulations governing use of such. The City requires insurance coverage for certain types of rentals in accordance with the alcohol and insurance requirement guidelines. In addition, the City may, at its discretion, require user to provide at user's expense such police and/or fire protection as deemed reasonable for the protection and preservation of the public property and peace.
- 10.10. The City Manager or his or her authorized representative, shall have the right to unrestricted access to all facilities at all times during any and all use. Groups found in violation of established City laws and ordinances or constituting a public nuisance may be required to leave said facility. The misuse of facilities, failure to

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conform with established regulations or other applicable City ordinances, will be sufficient reason for termination of the function. Permits may not be transferred, assigned or sold.

10.11. Any group not abiding by all the Facility Use Rules and Regulations will forfeit entire rental deposit.

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Finance Department

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# CITY OF MILPITAS – MASTER FEE SCHEDULE

DEPARTMENT OR DIVISION	DESCRIPTION OF FEE / RATE OR CHARGE	CURRENT FEE and FEE STRUCTURE	OBJECTIVE - The Fee - Penalty - Etc.	DATE FEE LAST CHANGED
Recreation	FACILITY USE RULES AND REGULATIONS FOR INDOOR & OUTDOOR FACILITIES, continued	See below	1,2	Res No. 7426 7/6/04

XI. CITY HALL BUILDING, PLAZA AND GROUNDS REGULATIONS

- 11.1 No food is allowed in Council Chambers.
- 11.2 No tents or structures allowed on grass.
- 11.3 Chairs and tables are available on a first come, first serve basis, and due to the amount of rentals at the facility, may not be available for use. Should this occur, it is the applicant's responsibility to provide their own tables and chairs. Samples of chairs and tables must be approved 45 days prior to the event. Deleted: 30
- 11.4 Access to parking garage is restricted.
- 11.5 Flag ceremonies in Plaza Area are limited to ground ceremonies only and require prior City Council approval.
- 11.6 All facility rentals require staffing. The number of staff (Maintenance and Information Services) is to be determined by the City Manager or his or her authorized representative on a per event basis.
- 11.7 All City Hall Building, Plaza and Ground permits are subject to Chapter 100, Title I of the Milpitas Municipal Code and all uses must be approved by the City Manager.
- 11.8 No political fundraising is allowed at the City Hall Building, Plaza, and Grounds.
- 11.9 No amplified or "live" music allowed in rentable outdoor facilities due to disruption of surrounding facilities.
- 11.10 City Council Chamber dais is not available for use.
- 11.11 Use of alcohol is permissible upon approval of City Manager or his or her authorized representative. Formatted: Bullets and Numbering

Exceptions to any policy or regulation are subject to the approval of the City Manager or his or her authorized representative 45 days in advance. The applicant must submit exception requests in writing. Decisions of the City Manager or his or her authorized representative may be appealed to the City Council, whose decision shall be final.

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# CITY OF MILPITAS – MASTER FEE SCHEDULE

DEPARTMENT OR DIVISION	DESCRIPTION OF FEE RATE OR CHARGE	CURRENT FEE AND FEE STRUCTURE	OBJECTIVE	DATE FEE LAST CHANGED
Recreation	FACILITY USE RULES AND REGULATIONS FOR INDOOR & OUTDOOR FACILITIES, continued	See below	1,2	Res No. 7426 7/6/04

Alcohol and Insurance Requirement Guidelines For Rental Groups

The table below summarizes the Insurance and Alcohol Permit requirements by rental type for facilities and parks rentals.

RENTAL TYPE	FACILITY	PARK
Private use/meeting No alcohol	No insurance required	No insurance required
Private Party - no alcohol Party or meeting serving alcohol	No insurance required 1. Purchase Special Events Liability Insurance and 2. Purchase Liquor Legal Liability coverage Or 3. Provide Certificate of Insurance with endorsement to the City w/Liquor Legal Liability Coverage	No insurance required
Public Attended Event (Please refer to the type of events that require insurance and hazard classification) Self Alcohol	1. Purchase Special Events Liability Insurance or 2. Provide Certificate of Insurance 1. Purchase Special Events Liability Insurance and 2. Purchase Liquor Legal Liability coverage Or 3. Provide Certificate of Insurance with endorsement to the City w/Liquor Legal Liability coverage And 4. Obtain Alcohol Permit	1. Purchase Special Events Liability Insurance or 2. Provide Certificate of Insurance 1. Purchase Special Events Liability Insurance and 2. Purchase Liquor Legal Liability coverage Or 3. Provide Certificate of Insurance with endorsement to the City w/Liquor Legal Liability coverage And 4. Obtain Alcohol Permit

The applicant must satisfy the minimum insurance requirement of \$2,000,000 general liability per occurrence. The insurance coverage must be endorsed to provide primary coverage and must name the City, its officers, agents, volunteers, and its employees as additional insured. Please note that the liquor legal liability coverage is available through the City only in conjunction with purchase of special event liability coverage.

The applicant must provide the certificate of insurance 45 days prior to event or begin the process of purchasing special events insurance with Recreation Services staff at the time of application. The costs of purchasing special events insurance is in addition to the rental fees.

Please note: this information is subject to change.

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# CITY OF MILPITAS – MASTER FEE SCHEDULE

DEPARTMENT OR DIVISION	DESCRIPTION OF FEE, RATE OR CHARGE	CURRENT FEE AND FEE STRUCTURE	OBJECTIVE	DATE FEE LAST CHANGED
Recreation	FACILITY USE RULES AND REGULATIONS FOR INDOOR & OUTDOOR FACILITIES, continued	See below	1,2	Res No. 7426 7/6/04

The purchase cost of special event insurance per day according to classification of hazard is as follows:

Please Note: All permits requiring

### TENANT/USER EVENT RATES PER DAY

Attendance	Hazard Class I Premium	Hazard Class II Premium	Hazard Class III Premium
1-100	\$ 63.32	\$122.46	\$194.42
101-500	\$116.15	\$213.36	\$342.13
501-1500	\$174.32	\$252.50	\$451.97
1501-3000	\$225.98	\$420.41	\$710.78
3001-5000	\$342.13	\$636.56	\$872.38
Add Liquor Liability if applicable		Must obtain company's prior approval for liquor liability	Must obtain company's prior approval for liquor liability

\*fees subject to change

### EXAMPLE OF PREMIUM CALCULATION:

Wedding with 300 serving alcohol: Hazard Class I Total Attendance: 300	Total Premium: \$116.15 + \$65.65 = \$181.80
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### TENANT/USER EVENT RISK CLASSIFICATIONS

Hazard Class I	Hazard Class II	Hazard Class III
Plays	Animal Training	**Baseball
Bazaars	* Block Parties/Street Closures	* Carnivals (no rides)
Gymnastic Competitions	* Concerts Outdoor (under 1,500)	**Karate Meets
* Concerts indoor (under 1,500)	Dance Parties	**Softball
Fishing Events	Dog Shows	Animal Acts/Shows
Private parties/meetings serving alcohol	Food Concessions	Zoos

Notes:

\* Requires prior insurance company's approval dependent upon the number of attendance and/or liquor

\*\* Athletic Events coverage requires prior company's approval and signed waiver(s) by participant.

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December 31, 2004\*

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# CITY OF MILPITAS -- MASTER FEE SCHEDULE

DEPARTMENT OR DIVISION	DESCRIPTION OF FEE, RATE OR CHARGE	CURRENT FEE AND FEE STRUCTURE	OBJECTIVE	DATE FEE LAST CHANGED
Recreation	SPECIAL EVENT RULES AND REGULATIONS	See below	1,2	Res No. 7426 7/6/04

## SPECIAL EVENT RULES AND REGULATIONS

### I. CITY SPONSORED SPECIAL EVENTS

1.1 The purpose of City Sponsored Special Events is to provide the public with activities to attend within the community. Planning for each event takes place 3-6 months prior to the event. These rules and regulations pertain to non-City group participation and use of City equipment for and during City sponsored, co-sponsored, public, non-profit events.

1.2 Calendar of Events (dates and events are subject to change)

Children's Memorial Day	April	<div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Deleted: Earth Day Ceremony . April</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Deleted: Global Village . May (every other year)</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Volunteer Recognition . Summer</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Deleted: Dinner</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Deleted: July</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Deleted: Patriot Day Ceremony . September</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Deleted: Milk &amp; Cookies</div>
Memorial Day Ceremony	May	
Family Day	May	
4 <sup>th</sup> of July Festival	July	
Commissioner's Recognition	April	
Summer Concert Series	June-August	
Movies in the Park	August	
Halloween Event	October	
Veterans Day Ceremony	November	
Tree Lighting Ceremony	December	
Breakfast with Santa	December	
Cultural Arts Grant	Throughout the year	

### II. PRIORITIES

2.1 City Sponsored Special Events will be reserved in accordance with the following group priorities, to provide for public activities in the best interest of the community.

Priority I. City-administered programs.

Priority II. Programs or activities for Senior Citizens and approved co-sponsored groups which are principally composed of local residents (51% or more) private or public schools located in the Milpitas City, the Milpitas Chamber of Commerce and governmental agencies..

Priority III. Non-profit groups that are organized for recreational, social, cultural or civic purpose, and whose membership is principally composed of local residents, (51% or more) or whose National charter is based in Milpitas.

Priority IV. Any other group, business or individual resident of the City of Milpitas.

Priority V. Any non-resident group, business or individual.

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# CITY OF MILPITAS – MASTER FEE SCHEDULE

DEPARTMENT OR DIVISION	DESCRIPTION OF FEE, RATE OR CHARGE	CURRENT FEE AND FEE STRUCTURE	OBJECTIVE	DATE FEE LAST CHANGED
Recreation	SPECIAL EVENT RULES AND REGULATIONS, continued	See below	1,2	Res No. 7426 7/6/04

### III. ORGANIZATION/GROUP SEEKING PARTICIPATION

- 3.1 Any organization/group that would like to participate in any City sponsored Special Event must contact Milpitas Recreation Services at least 6 months prior to an event and submit a Special Events Application attached with a written request explaining in detail their participation in an event. There will be **NO EXCEPTIONS** to this rule due to the importance of the planning process.
- 3.2 Recreation Services must approve all requests to participate in a Special Event. A written response will be mailed to the address listed on the Special Event Application either approving or denying the organizations/groups involvement in a City sponsored Special Event, within fourteen (14) working days from receiving the initial request.
- 3.3 Once granted permission to participate in an event by Recreation Services, a special events contract will be executed to ensure participation meets City standards. This contract must be reviewed and signed by the group representative and City Staff (City Attorney, City Manager and City Clerk) one (1) month prior to the event.
- 3.4 Special Event contract authorizes the terms for organizations/groups to conduct events only as described within the contract. It is unlawful for an organization/group to violate the terms and conditions of the contract.
- 3.5 Recreation Services reserves the right to refuse or deny a group's participation at any time, either prior or during an event.

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### IV. ORGANIZATION/GROUP PERMISSION TO PARTICIPATE

- 4.1 A pre-approved organization/group will have the opportunity to participate in a City sponsored Special Event in one of the following methods:
  - a) Resource table - Displaying pre-approved information at an event about the organizations/groups purpose and presence in Milpitas.
  - b) Vending booth - The sale of pre-approved merchandise and food or distributing items to the public. The sale of any tangible personal property or food requires permits. Milpitas Recreation Services will assist in obtaining permits such as Health Permit, Milpitas Business License, etc.
  - c) Speech Presentation - The speech must be no longer than five (5) minutes in length and must be appropriate for the event. A copy of the speech must be provided to the Recreation Services Management at least one (1) month prior to the event.

Deleted: Parade --All entries must complete a Special Events Application and/or a Parade Application in order to participate

- 4.2 A sample of all items being distributed, sold, displayed and/or given to the public must be presented to the Recreation Services management for approval at least fourteen (14) working days prior to the event. Any items issued at an event without approval may result in automatic forfeit of participation in the event and/or any future City sponsored Special Events.

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# CITY OF MILPITAS -- MASTER FEE SCHEDULE

DEPARTMENT OR DIVISION	DESCRIPTION OF FEE, RATE OR CHARGE	CURRENT FEE AND FEE STRUCTURE	OBJECTIVE (If Fee is Discretionary, Specify Authority)	DATE FEE LAST CHANGED
Recreation	SPECIAL EVENT RULES AND REGULATIONS, continued	See below	1,2	Res No. 7426 7/6/04

## V. EQUIPMENT RENTAL

5.1 A Special Events Application must be completed and submitted to Recreation Services Customer Services staff to request the use of any City equipment and/or supplies at least two (2) months prior to the organizations/groups event.

5.2 A deposit is required of all rented equipment and is refundable upon the return of the equipment provided no damage has occurred to any of the items. Milpitas Recreation Services will review the request and upon approval or denial a letter will be mailed to the address listed on the Special Event application, which will include the necessary rental fee. All equipment availability is based on Milpitas Recreation Services events schedule. (See below for fee schedule)

5.3 ~~Special detailed inspections should be well documented for the mobile stage and related equipment, stage rigging, etc. Special attention should be paid to baths and walkways in and around facilities and sports fields.~~

5.4 All outdoor equipment (i.e. bleachers, picnic tables, barbecue pits, etc. are not moveable and shall remain in designated locations.)

5.5 Additional equipment (i.e. bounce houses, chairs, additional seating, staging/platforms, etc. must be noted on the application and pre approved by staff. All additional event features must be obtained independently by the applicant, including rental costs, fees, insurance and delivery.)

5.6 Equipment Fee Schedule:

- \*Mobile Stage
- White Fencing
- PA System
- Field Lights
- Platforms

Fee

Actual Cost of towing\*\*  
(according to fee schedule)

\$1,000/day

N/A

N/A

N/A

N/A

Deposit (refundable)

\$1,000/day

**Please Note:**

The rental fee of equipment/supplies NOT listed is to the discretion of Recreation Services.  
N/A = Not Available

\*The Mobile Stage is not allowed outside Milpitas City limits.

\*\*Plus 2 hours of staff time

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# CITY OF MILPITAS – MASTER FEE SCHEDULE

DEPARTMENT OR DIVISION	DESCRIPTION OF FEE, RATE OR CHARGE	CURRENT FEE AND FEE STRUCTURE	OBJECTIVE	DATE FEE LAST CHANGED
Recreation	FIELD USE AND SPORTS FACILITY USE RULES AND REGULATIONS	See below	1,2	Res No. 7426 7/6/04

## FIELD USE AND SPORTS FACILITY USE RULES AND REGULATIONS

Applications for Field and Facilities use at the Milpitas Sports Center may be obtained in person during business hours at the Milpitas Sports Center 1325 E. Calaveras Blvd. Call (408) 586-3225 for business hours. Application for use is not an approved permit until all requirements are complete, then a final permit will be issued for approved use.

### I. USE PRIORITIES

Priorities are designed to determine fee and reservation status. For reservation status see rules 2.4 and 2.5.

1.1 To provide for public activities in the best interest of the Community, City facilities will be reserved in accordance with the following group priorities:

Priority I. City administered programs.

1. No deposit
2. No rental fee
3. No Staff fee
4. No application fee

Priority II. Programs or activities for Senior Citizens and approved co-sponsored groups which are principally composed of local residents (51% or more) private or public schools located in the Milpitas City, the Milpitas Chamber of Commerce and governmental agencies.

1. No deposit
2. No rental fee
3. Staff fee according to fee schedule
4. Application fee (non-refundable)
5. Any applicable insurance and processing fees that may apply

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Priority III. Non-profit groups that are organized for recreational, social, cultural, religious or civic purposes and whose membership is principally composed of local residents (51% or more) or whose National charter is based in Milpitas.

1. Facility deposit according to the fee and deposit schedule
2. Rental fee according to fee schedule
3. Staff fee according to fee schedule
4. Application fee (non-refundable)
5. Any applicable insurance and processing fees that may apply

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Priority IV. Any other group, business or individual resident of the City of Milpitas.

1. Facility deposit according to the fee and deposit schedule
2. Rental fee according to the fee and deposit schedule
3. Staff fee according to fee schedule
4. Application fee (non-refundable)
5. Any applicable insurance and processing fees that may apply

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Priority V. Any non-resident group, business or individual.

1. Facility deposit according to the fee and deposit schedule
2. Rental fee according to fee schedule
3. Staff fee according to fee schedule
4. Application fee (non-refundable)
5. Any applicable insurance and processing fees that may apply

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# CITY OF MILPITAS -- MASTER FEE SCHEDULE

DEPARTMENT OR DIVISION	DESCRIPTION OF FEE, RATE OR CHARGE	CURRENT FEE AND FEE STRUCTURE	OBJECTIVE FUNCTIONS SERVED	DATE FEE LAST CHANGED
Recreation	FIELD USE AND SPORTS FACILITY USE RULES AND REGULATIONS, continued	See below	1,2	Res No. 7426 7/6/04

**II. RESERVATIONS/APPLICATIONS**

- 2.1 Permits for field or sports facility use shall be issued by the City upon the approval of the City Manager or his or her authorized representative, and shall be consistent with City regulations governing such use.
- 2.2 The use of those facilities shall not be inconsistent with other such use for City purposes or interfere with the regular conduct of City programs. City administered programs or groups shall receive first priority over use by any other group or organization. The City reserves the right, if necessary, to preempt, or revoke permit (if previously issued) for the use if for any reason it becomes unavoidably necessary for City to utilize said facility or facilities at the same time. If and when such action is necessary, the City will give permittees as much advance notice as possible.
- 2.3 Permits for use of the citywide fields, tennis courts, or sports facilities must be obtained in person at the Milpitas Sports Center, located at the 1325 E. Calaveras Blvd., during business hours. Call (408) 586-3225 for business hours.
- 2.4 An adult (18-year minimum age) must sign all applications for use, and said adult shall agree to be responsible for use. Groups composed of minors 17 years of age and under must be supervised by one (1) adult for each 15 minors. All activities must have adult supervision to ensure adequate control.
- 2.5 Applications for use of fields or sports facility are accepted on the following basis:  
 Priority I Groups: Six (6) months prior to proposed use date.  
 Priorities II-IV: 90 days to proposed use date.
- 2.6 All groups requesting a permit must submit permit and pay all required rental fees a minimum thirty (45) days prior of use.
- 2.7 In cases where the earliest date to reserve a facility falls on a weekend (Saturday or Sunday), reservations will be accepted on the preceding Friday. Applications are accepted on first come first served basis based on use priority.
- 2.8 Priority IV and V users may only reserve fields or sports facilities for three consecutive days during minimal use periods. No blanket permits will be allowed.
- 2.9 No rental shall begin prior to 8:00 am and all activities shall cease by 9pm or as designated by posted park ordinance unless specifically authorized by the Recreation Services Manager or his or her designee.
- 2.10 No rental application is considered authorized or approved until the following are completed:  
 A. Completed and signed application has been submitted and approved by Recreation Services  
 B. All applicable fees have been paid  
 C. Proof of insurance, certificate of insurance co-insuring the City of Milpitas has been provided as required  
 D. All other required conditions of use have been met
- 2.9 When all conditions and requirements are met, then a Field Use Permit will be issued. Applicants for field use should not publicize, promote or register any activities until a field use permit has been issued.

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# CITY OF MILPITAS – MASTER FEE SCHEDULE

DEPARTMENT OR DIVISION	DESCRIPTION OF FEE, RATE OR CHARGE	CURRENT FEE AND FEE STRUCTURE	OBJECTIVE (1) Revenue (2) User Fee (3) Priority Fee (4) Other	DATE FEE LAST CHANGED
Recreation	FIELD USE AND SPORTS FACILITY USE RULES AND REGULATIONS, continued	See below	1,2	Res No. 7426 7/6/04

- III. FEES AND CHARGES
- 3.1 Please refer to the Milpitas Sports Center - Rental Fee schedule
- 3.2 No reservation will be accepted without the specified cleaning and damage deposit. This deposit must be in the form of a cashier's check, money order, cash or by VISA/MC (personal checks are not accepted). This deposit is refundable after the use date and will be returned to the applicant by mail in the form of a City check in approximately 30 days, unless damages, additional maintenance or services were assessed.
- 3.3 Rental fees shall be paid at least 45 days in advance of permit use date, or permit shall be declared invalid. Payment must be made by cashier's check, money order, cash, or by VISA/MC (personal checks are not accepted). This deposit is refundable after the use date and will be returned to the applicant by mail in the form of a City check in approximately 30 days, unless damages, additional maintenance or services were assessed.
- FEE WAIVER**
- 3.4 Waiver of rental fees or deposits must be approved by City Council. Personnel costs for staff, insurance fees, and application fees are not eligible to be waived. To seek a waiver of fees, applicant must submit a written request at least 90 days prior to the proposed date of use. Request will be reviewed by the City Council at a regularly scheduled City Council meeting.
- 3.5 No application will be considered authorized or approved without the following:
- A. A completed, signed and approved Field Use Application on file.
  - B. Payment of appropriate Cleaning and Damage Deposit and Application Fee.
  - C. Meeting any other conditions required by the City of Milpitas (insurance, security, and deposit)
- 3.6 Groups participating in City administered leagues or co-sponsored programs are exempt from fees and deposits for regularly scheduled games or activities. Stated fees and deposits will apply for all other use of facilities by such groups.
- CANCELLATION/ REFUNDS**
- 3.7 Cancellation of Sports Center or fields use must be done in writing on forms provided by the City. Forms may be obtained at the Milpitas Sports Center, 1325 E. Calaveras Blvd., or by calling (408) 586-3225. Cancellation forms will be accepted in person only. No mail, facsimile, or phone cancellations will be accepted.
- A. Full refund of deposit will be granted provided a cancellation is made within 30 days of deposit.
  - B. If a cancellation is made when more than 30 days have elapsed since the date of deposit, the deposit will be refunded minus the minimum hours rental fee for the facility or field.
  - C. If deposit is paid with less than 30 days remaining until the proposed use date, should cancellation occur, the deposit would be refunded minus the minimum rental fee for the facility or field.
  - D. Should the City cancel the permit or use a full refund will be issued.
- 3.8 Approved Field Use permits which cannot be held due to inclement weather may be issued a credit toward a rescheduled reservation or a credit minus the \$15 non-refundable application fee.

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# CITY OF MILPITAS -- MASTER FEE SCHEDULE

DEPARTMENT OR DIVISION	DESCRIPTION OF FEE RATE OR CHARGE	CURRENT FEE AND FEE STRUCTURE	OBJECTIVE	DATE FEE LAST CHANGED
Recreation	FIELD USE AND SPORTS FACILITY USE RULES AND REGULATIONS, continued	See below	1, 2	Res No. 7426 7/16/04

## IV. LIABILITY INSURANCE

- 4.1 In order to obtain a field use permit the City of Milpitas may require applicant to obtain general insurance that meets the following requirements:
1. Insurance must have a minimum limit of \$2,000,000.
  2. Insurance must name the City of Milpitas, its officers, and employees as additional insured against any and all liability arising or resulting from usage of said premises.
  3. Policy should include an "additional endorsement" by insurance carrier.
  4. Policy should co-insure the City of Milpitas as follows:  
 City of Milpitas- Recreation Services  
 1325 E. Calaveras Blvd.  
 Milpitas CA 95035
- 4.2 Insurance must be valid during all periods of requested use
- 4.3 Proof of insurance must be received prior to approval for field or facility use.
- 4.4 Concessions, other than City operated, will be subject to the approval of the City Manager or his or her authorized representative, and must possess valid business licenses and health permits. Concessions will be defined as the sale of any food, beverage or souvenir item. Copies of said permits and licenses must be submitted a minimum of 30 working days in advance of permit use date.
- 4.5 Any person sponsoring, promoting, operating, etc. an entertainment activity, open to the public, charging admission or as described in the Milpitas Municipal Code (Title III, Chapter 5, Entertainment Event) may be required to obtain an Entertainment Permit. Permit information and applications are available at the City Clerk's Office, City Hall, 455 E. Calaveras Blvd., Monday - Friday, 8:00 a.m. - 5:00 p.m. If required, Entertainment Permit must be obtained prior to receiving rental permit.

## V. SMOKING/ALCOHOL

- 5.1 By City ordinance, smoking is not permitted in any City Facility within 25 feet of a City facility.
- 5.2 Smoking or alcohol consumption is not permissible in the Milpitas Sports Center gymnasium or on the pool deck.
- 5.3 Smoking and Alcohol use is regulated and must conform to posted park regulations and City Ordinances.
- 5.4 Alcoholic beverages may not be served or sold at youth activities such as birthday parties, baptisms, dances or presentations. A youth activity is any activity designed for individuals under the age of 21 years. The designation of such an activity will be at the discretion of the City Manager or his or her authorized representative.
- 5.6 By City ordinance, beer or wine is permissible for adults in City parks unless otherwise posted. California State law expressly forbids alcoholic beverage of any kind at the Russell Middle School softball facility under any circumstances as it is located on school property. Sale of beer or wine is allowed, or other alcoholic beverages subject to the above location restrictions, and upon approval of the Milpitas Police Department and the acquisition of a valid permit by the user group from the Alcoholic Beverage Control Department, 100 Paseo de San Antonio, San Jose, CA (408) 277-1200.

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# CITY OF MILPITAS – MASTER FEE SCHEDULE

DEPARTMENT OR DIVISION	DESCRIPTION OF FEE, RATE OR CHARGE	CURRENT FEE AND FEE STRUCTURE	OBJECTIVE 1- Recovery Cost 2- User Exp. 3- Priority 4- Other	DATE FEE LAST CHANGED
Recreation	FIELD USE AND SPORTS FACILITY USE RULES AND REGULATIONS, continued	See below	1,2	Res No. 7426 7/6/04

**VI. MAINTENANCE**

- 6.1 Parks Services is responsible for all aspects for field maintenance. Recreation Services and Building Maintenance are responsible for facility maintenance.
- 6.2 Permittees are responsible for obtaining pre-approval and permission from Park Services prior to altering fields in any manner.
- 6.3 Permittees are responsible for obtaining pre-approval and permission from Recreation Services for alteration of indoor facility.
- 6.4 User is responsible to ensure that clean up has occurred following any rental. Garbage cans are provided for clean-up purposes.
- 6.5 Should damage to field or facility occur, permittee is responsible for all direct costs involved in the repair, replacement or clean up caused due to damage.
- 6.6 City of Milpitas reserves the right to revoke or cancel any permitted use if it is deemed to be dangerous, hazardous or not in the best interest of the City of Milpitas.
- 6.7 Permittee shall report any unsafe condition to Parks and Recreation Services immediately and suspend activities until corrections or repair has ensured that the situation is safe for participants or spectators.

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**VII. SET-UP/CLEAN-UP**

- 7.1 If after an activity, additional maintenance is required other than what is considered normal, and/or equipment is left damaged, the user group will be charged accordingly.
- 7.2 City facilities must be protected by the user from damage or mistreatment. Groups using City facilities must be responsible for the condition in which the facility and its equipment are left. Groups must leave the facility free of litter, such as paper, food or drink, and if decorations are to be used, they must be approved in advance by the City and removed before the group leaves.
- 7.3 Upon leaving the facility each group must see that trash is placed in appropriate receptacles, that restrooms and parking lots are free of litter and unwanted debris, and that the facility is returned to its original condition. Tables must be cleared and decorations removed. Kitchen must be thoroughly cleaned, if used. Attendant shall provide necessary custodial services such as mopping floors, and emptying garbage cans after above items have been completed.

**VIII. SPECIAL GYMNASIUM REGULATIONS**

- 8.1 No smoking or alcohol consumption allowed in the gymnasium.
- 8.2 No food or beverages allowed in Milpitas Sports Center gymnasium.
- 8.3 Gymnasium is designated and used for sports activities only. Gymnasium participants must wear athletic type shoes, socks, or bare feet. (Hard soles or black soles not permitted on gymnasium floor.)
- 8.4 Gymnasium facilities will only be rented to groups for sporting activities or programs. Requests for non-sports related activities will not be granted.
- 8.5 Use of electronic scoreboard is permitted for City use and functions only.
- 8.6 Total gym capacity is not to exceed 600. Bleacher capacity is not to exceed 305 seated spectators.

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# CITY OF MILPITAS – MASTER FEE SCHEDULE

DEPARTMENT OR DIVISION	DESCRIPTION OF FEE, RATE OR CHARGE	CURRENT FEE AND FEE STRUCTURE	OBJECTIVE	DATE FEE LAST CHANGED
Recreation	FIELD USE AND SPORTS FACILITY USE RULES AND REGULATIONS, continued	See below	1, 2	Res No. 7426 7/6/04

**IX. GENERAL RULES AND REGULATIONS**

- 9.1 Groups granted use of City facilities shall use them only for such purposes as specified in facility use permit, and shall limit use to the facility requested. Groups using additional facilities will be charged in accordance with the schedule of charges, and such charges may be deducted from the cleaning and damage deposit.
- 9.2 Group must adhere to all posted rules and regulations.
- 9.3 City of Milpitas digital marquee is to be used for City sponsored activities only. Exceptions must be approved by City Council. To seek exception, applicant must submit a written request at least 45 days prior to the proposed date of use. Request will be reviewed by City Council at a regularly scheduled City Council meeting.
- 9.4 Facility use shall not be granted:
  - a) To any group or individual, political, or otherwise that advocates the overthrow of the United States Government, or the State of California by force, violence or other unlawful means.
  - b) When for any reason such use many not be in the best interest of the City and/or community, as determined by the City Manager or his or her Authorized Representative, subject to appeal of the City Manager, whose decision may be appealed to the City Council, whose decision shall be final.
- 9.5 Gambling, casino nights or any legal function or activity involving games of chance may be held in a City facility. The activity must, however, be open to the public and admission may not be charged. Donations may be accepted as long as access is not denied if a donation is not received.
- 9.6 The City of Milpitas is not responsible for accidents, injury, illness, or loss of group or individual property. The City may require proof of insurance coverage at a City approved event in its discretion. In addition, the City may, at its discretion, require user to provide at user's expense such police and/or fire protection as deemed reasonable for the protection and preservation of the public property and peace.
- 9.7 The City Manager, or his or her authorized representative, shall have the right to unrestricted access to all facilities at all times during any and all use at all indoor and outdoor facilities. Groups found in violation of established City laws and ordinances, or constituting a public nuisance may be required to leave facility. The misuse of facilities, failure to conform with established regulations or other applicable City ordinances, will be sufficient reason for termination of the function. Permits may not be transferred, assigned, or sold.  
\*\* See attached Parks Regulations

**X. PUBLIC BASKETBALL COURT RULES**

- 10.1 Basketball Courts hours: 8:30 AM – 8:30 PM Daily.
- 10.2 Basketball Courts are for recreational purpose in two-hour increments and are on a drop-in basis. Courts must be forfeited if another group/individual are waiting.
- 10.3 Amplified music including car and portable radios are prohibited.
- 10.4 The Milpitas Police Department may stop play based on complaints.

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# CITY OF MILPITAS – MASTER FEE SCHEDULE

DEPARTMENT OR DIVISION	DESCRIPTION OF FEE RATE OR CHARGE	CURRENT FEE AND FEE STRUCTURE	OBJECTIVE 1- FINANCIAL 2- CLARITY 3- FIDELITY 4- FAIR	DATE FEE LAST CHANGED
Recreation	FIELD USE AND SPORTS FACILITY USE RULES AND REGULATIONS, continued	See below	1, 2	Res No. 7426 7/6/04

**XI. TENNIS COURT RULES & ETIQUETTE**

- 11.1 Court Time Limit: Courts must be relinquished to players waiting after one hour of play for singles or 1 hour 30 minutes for doubles.
- 11.2 Waiting Players should state their intent of play to current occupants upon arrival.
- 11.3 Maximum of four (4) players per court.
- 11.4 No single player may use court when others are waiting.
- 11.5 City-Sponsored Programs have first priority on tennis courts at all times.
- 11.6 Absolutely no roller skates, skateboards, bikes, food, glass objects or alcoholic beverages on courts. All food and drinks must be left outside tennis courts fence.
- 11.7 Smooth bottomed tennis shoes only. No knobby, black soled, sports cleats (baseball, soccer, football) or street shoes.
- 11.8 No instructional aids allowed (i.e. ball machines, etc.) unless prior approval received from City of Milpitas, Recreation Services, 408-586-3210.
- 11.9 Conducting any business or concession within any City park is prohibited except by permit MMC 1-9-4.01 (i.e. private tennis lessons, selling food or beverage, etc.) and appropriate licenses or permits.
- 11.10 For your safety and enjoyment, use caution when playing. Surface may be slippery when wet or dirty.
- 11.11 Smoking is prohibited within 25 feet of tennis courts.
- 11.12 Report any problems with courts. Please call Parks Hot-line at 408-586-2600.

**X. SPECIAL POOL REGULATIONS**

- 12.1 No smoking or alcohol consumption is allowed in the aquatics facility.
- 12.2 All pool users and patrons must bear appropriate swim attire. No jeans, cut-off shorts, leotards or any other extra articles of clothing allowed. (Ca. Health Code # 65838).
- 12.3 Teen Locker Rooms are available for shower and changing use.
- 12.4 No personal flotation devices, no flotation devices attached to the swim suits, no inflatable pool toys of any kind allowed.
- 12.5 No diving allowed.
- 12.6 No running allowed. Please walk at all times.
- 12.7 All children under 7 years old swimming in the yard or meter pool must have an adult attendance in the water with them at all times.
- 12.8 Parents must change their children in the Youth locker rooms.
- 12.9 No food or drink is allowed on the pool deck, except in the designated areas. Glass containers are not allowed.
- 12.10 Ramp usage by request only. See Lifeguard on duty

Exceptions to any policy or regulation are subject to the approval of the City Manager or his or her authorized representative. Exception requests must be submitted in writing by the applicant. Decisions of the City Manager may be appealed, if not satisfied, to the City Council, whose decision shall be final.

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# CITY OF MILPITAS – MASTER FEE SCHEDULE

DEPARTMENT OF DIVISION	DESCRIPTION OF FEE, RATE OR CHARGE	CURRENT FEE AND FEE STRUCTURE	OBJECTIVE	DATE FEE LAST CHANGED
Recreation	Facility Fees	See below	1,2	Res No. 7426 7/6/04

Reservations Accepted	Milpitas Schools, Chambers and Gov Agencies (Priority I)	Resident Non Profits (Priority III)	Milpitas Residents (Priority IV)	Non-Residents (Priority V)
	9 months to proposed date	9 months to proposed date	1 year to proposed date	6 months to proposed date
Rental Damage Deposits: Council Chambers	None	\$250.00	\$500.00	\$1,000.00
Rental Damage Deposits: Other rooms/outdoor areas	None	\$150.00	\$500.00	\$600.00
Application Fee (non-refundable)	\$20 per application	\$20 per application	\$20 per application	\$20 per application
Insurance Processing Fee	\$15.00	\$15.00	\$15.00	\$15.00
<b>Council Chambers – no food/drink allowed in room</b>				
Council Chambers (2 hr. min)/160 capacity with fixed seating	No Fee	\$75.00/hr	\$250.00/hr	\$1,000.00/hr
<b>Rotunda Area &amp; Committee Room</b>				
Rotunda Area (2 hr. min) 284 capacity	No Fee	\$37.50/hr	\$75.00/hr	\$1,000.00/hr
Committee Room (2 hr. min) 55 capacity without tables	No Fee	\$37.50/hr	\$75.00/hr	\$150.00/hr
<b>Patios – no tables and chairs are provided</b>				
City Council 2 <sup>nd</sup> Floor Balcony/Patio (2 hr. min) 55 capacity	No Fee	\$25.00/hr	\$50.00/hr	\$100.00/hr
Front Patio (2 hr. min) 49 capacity	No Fee	\$25.00/hr	\$50.00/hr	\$100.00/hr
Back Patio (2 hr. min) 180 capacity	No Fee	\$37.50/hr	\$75.00/hr	\$150.00/hr
<b>Outdoor Areas (no tents, chairs, or structures allowed on the grass)</b>				
Flag Plaza Area/Grass Amphitheatre (2 hr. min) 230 capacity	No Fee	\$37.50/hr	\$75.00/hr	\$150.00/hr
<b>Personnel Costs (per person)</b>				
Information Services Staff (required for Council Chambers)	\$50.00/hr	\$50.00/hr	\$50.00/hr	\$50.00/hr
Maintenance Staff	\$50.00/hr	\$50.00/hr	\$50.00/hr	\$50.00/hr

NOTE: All City Hall facility rentals require City Staff. The type and number of staff (Maintenance, Information Services, Building Maintenance, etc) will be determined by the City Manager (or his/her authorized representative) on a per event basis. Personnel costs are based on over-time + benefits.

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# CITY OF MILPITAS -- MASTER FEE SCHEDULE

DEPARTMENT OR DIVISION	DESCRIPTION OF FEE, RATE OR CHARGE	CURRENT FEE AND FEE STRUCTURE	OBJECTIVE 1- Fee-Only 2- Fee + Priority 3- Priority 4- TBD	DATE FEE LAST CHANGED
Recreation	Facility Fees, continued	See below	1, 2	Res No. 7426 7/8/04

Community Center Facility/Service	Milpitas Subsidy Chambers and Gov. Agencies (Priority I)	Resident Non- Priority II	Milpitas Residents (Priority IV)	Non- Residents (Priority V)	Deleted: 150.00...
Reservations Accepted	1 year to proposed date	1 year to proposed date	1 year to proposed date	6 months to proposed date	Deleted: Actual Cost to City... [2]
Rental Deposits: Community Hall	None	\$500.00	\$500.00	\$500.00	Deleted: Light Technician (3 hr minimum) [5]
Rental Deposits: All other rooms	None	\$75.00	\$100.00	\$150.00	Deleted: Light Set Up / Take Down (6 hr minimum) [6]
Auditorium (3 hr minimum)	No fee	\$38.00/hr	\$85.00/hr	\$135.00/hr	Deleted: TV / VCR [7]
Conference Room Full (2 hr minimum)	No fee	\$20.00/hr	\$50.00/hr	\$73.00/hr	Deleted: includes ... and towing [8]
Conference Room 1/2 (2 hr minimum)	No fee	\$15.50/hr	\$22.50/hr	\$30.00/hr	Deleted: 350 per day... [9]
Dance Studio/ Craft Classroom (2 hr minimum)	No fee	\$14.50/hr	\$21.50/hr	\$28.00/hr	Formatted: Indent: Left: 0.25" [9]
Facility Attendant Fees	\$30.00/hr	\$15.00/hr	\$30.00/hr	\$30.00/hr	Deleted: FEE SCHEDULE-081010(copy) [9]
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Piano	No fee	\$17.50 / day	\$17.50 / day	\$20.00 / day	
Application Fee (non-refundable)	\$20.00 / application	\$20.00 / application	\$20.00 / application	\$20.00 / application	
Mobile Stage	1 month to proposed date	1 month to proposed date	1 month to proposed date	Not Available	
• Reservation	\$1,000	\$1,000	\$1,000	Not Available	
• Deposit	\$1,000	\$1,000	\$1,000	Not Available	
• Rental (Actual Cost of towing plus 2 hours of staff time)	\$ Actual cost of towing plus 2 hours of staff time*	\$ Actual cost of towing plus 2 hours of staff time*	\$ Actual cost of towing plus 2 hours of staff time*	\$ Actual cost of towing plus 2 hours of staff time*	
(within City of Milpitas city limits, maximum 8 hours of use)					

\* At least 51% of the non-profit agency's members must be Milpitas residents.

DEPARTMENT OR DIVISION	DESCRIPTION OF FEE RATE/CHARGE	CURRENT FEE AND FEE STRUCTURE	OBJECTIVE	DATE FEE LAST CHANGED
Recreation	Facility Fees, continued	See below	1,2	Res No. 7426 7/6/04

Teen Center	Milpitas Schools Children and Grandparents (Priority II)	Resident Non-Profits (Priority III)	Milpitas Residents (Priority IV)	Non-Residents (Priority V)
Reservations Accepted	90 days to proposed date	90 days to proposed date	1 year to proposed date	6 months to proposed date
Rental Deposits	None	\$150.00	\$500.00	\$500.00
Large gathering room w/kitchen (2 hr minimum)	No fee	\$28.00/hr	\$50.00/hr	\$60.00/hr
Facility Attendant Fees (per attendant)	\$30.00/hr	\$30.00/hr	\$30.00/hr	\$60.00/hr
Application Fee (non-refundable)	\$20.00 / application	\$20.00 / application	\$20.00 / application	\$20.00 / application

**CITY OF MILPITAS - MASTER FEE SCHEDULE**

DEPARTMENT OR DIVISION	DESCRIPTION OF FEE RATE OR CHARGE	CURRENT FEE AND FEE STRUCTURE	OBJECTIVE	DATE FEE LAST CHANGED
Recreation	Facility Fees, continued	See below	1,2	Res No. 7426 7/6/04

Milpitas Sports Center	Milpitas Schools Children and Grandparents (Priority II)	Resident Non-Profits (Priority III)	Milpitas Residents (Priority IV)	Non-Residents (Priority V)
Reservations Accepted	90 days to proposed date	90 days to proposed date	90 days to proposed date	60 days to proposed date
Rental Deposits	None	\$150.00	\$250.00	\$350.00
Large Gymnasium (3 hr minimum)	\$55.00	\$55.	\$55.	\$100
Instructional Pool (2hr minimum)	No fee	\$30.00/hr + 2 guards	\$50.00/hr + 2 guards	\$65.00/hr + 2 guards
Yard Pool (2 hr minimum)	No fee	\$35.00/hr + 2 guards	\$55.00/hr + 2 guards	\$75.00/hr + 2 guards
Meter Pool (2 hr minimum)	No fee	\$30.00/hr + 2 guards	\$60.00/hr + 2 guards	\$85.00/hr + 2 guards

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Tiny Tot Pool (2 hr minimum)	No fee	\$45.00/hr + 2 guards	\$45.00/hr + 2 guards	\$55.00/hr + 2 guards
Football / Soccer Field w/o lights (2 hr min)	No fee	\$20.00/hr	\$20.00/hr	\$50.00/hr*
Softball / Baseball Field w/o lights (2hr min)	No fee	\$4.00/hr	\$20.00/hr	\$50.00/hr*
Softball / Baseball Field w/ lights (2 hr min)	No fee	\$9.00/hr	\$30.00/hr	\$60.00/hr*
Facility Attendant / Scorekeeper (per attendant)	\$30.00/hr	\$30.00/hr	\$30.00/hr	\$60.00/hr*
Lifeguard Fees (per Lifeguard)	\$15.00/hr	\$15.00/hr	\$15.00/hr	\$30.00/hr
Application Fee (non-refundable)	\$20.00 / application	\$20.00 / application	\$20.00 / application	\$20.00 / application

\* At least 51% of the non-profit agency's members must be Mipitas residents.

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# CITY OF MILPITAS – MASTER FEE SCHEDULE

DEPARTMENT OR DIVISION	DESCRIPTION OF FEE, RATE OR CHARGE	CURRENT FEE AND FEE STRUCTURE	OBJECTIVE (Priority I, II, III, IV, V)	DATE FEE LAST CHANGED
Recreation	Facility Fees, continued	See below	1, 2	Res No. 7426 7/6/04

Picnic Areas Facility/Fields/Service	Milpitas Schools, Chambers and Gov Agencies (Priority II)	Resident Non-Profit (Priority II)	Milpitas Residents (Priority IV)	Non-Residents (Priority V)
Reservations Accepted	90 days to proposed date	90 days to proposed date	1 year to proposed date	6 months to proposed date
Picnic Area – 50 or Less capacity	No fee	\$20/day/area	\$20/day/area	\$34/day/area
Picnic Area – More than 50 capacity	No fee	\$40/day/area	\$40/day/area	\$54/day/area
Picnic Kit	No fee	\$12.50/kit/day	\$12.50/kit/day	\$25.00/kit/day
Picnic Kit Deposit (refundable)	\$150.00/kit	\$150.00/kit	\$150.00 / kit	\$150.00 / kit
Picnic Kit Late Fee	\$10.00/day	\$10.00/day	\$10.00/day	\$10.00/day
Softball Field w/o lights (2 hr min)	No fee	\$4.00/hr	\$20.00/hr	\$50.00/hr
Softball Field w/ lights (2 hr min)	No fee	\$9.00/hr	\$30.00/hr	\$60.00/hr
Attendant Fee (per attendant)	\$30.00/hr	\$30.00/hr	\$30.00/hr	\$60.00/hr*
Application Fee (non-refundable)	\$20.00 / application	\$20.00 / application	\$20.00 / application	\$20.00 / application

Sanity Center and Sal Cracolice Building Facility/Service	Milpitas Schools, Chambers and Gov Agencies (Priority II)	Resident Non-Profit (Priority III)	Milpitas Residents (Priority IV)	Non-Residents (Priority V)
Reservations Accepted	90 days to proposed date	90 days to proposed date	1 year to proposed date	6 months to proposed date
Rental Deposits: Auditorium	None	\$150.00	\$250.00	\$350.00
Rental Deposits: Classrooms Auditorium (3 hr min)	None	\$75.00	\$100.00	\$150.00
Small Meeting Room (2 hr min)	No fee	\$28.00/hr	\$55.00/hr	\$75.00/hr
Facility Attendant Fees (per attendant)	\$30.00/hr	\$30.00/hr	\$30.00/hr	\$60.00/hr
Application Fee (non-refundable)	\$20.00 / application	\$20.00 / application	\$20.00 / application	\$20.00 / application

\* At least 51% of the non-profit agency's members must be Milpitas residents.

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# CITY OF MILPITAS – MASTER FEE SCHEDULE

DEPARTMENT OR DIVISION	DESCRIPTION OF FEE, RATE OR CHARGE	CURRENT FEE AND FEE STRUCTURE	OBJECTIVE (1. Public Safety 2. Public Health 3. Public Welfare)	DATE FEE LAST CHANGED
Recreation	Facility Fees, continued	See below	1,2	Res No. 7426 7/6/04

Figuera Adobe Facility/Fields/Service	Milpitas Schools, Chamber, and Gov. Agencies (Priority I)	Resident Non-Residents (Priority II)	Milpitas Residents (Priority IV)	Non-Residents (Priority V)
Reservations Accepted	90 days to proposed date	90 days to proposed date	1 year to proposed date	6 months to proposed date
Rental Deposits	No fee	\$150.00	\$250.00	\$350.00
Auditorium	No fee	\$15.50/hr	\$35.00/hr	\$57.50/hr
Facility Attendant Fees (per attendant)	\$30.00/hr	\$30.00/hr	\$30.00/hr	\$30.00/hr
Application Fee (non-refundable)	\$20.00 / application	\$20.00 / application	\$20.00 / application	\$20.00 / application

Tournament Field Facility/Service	Milpitas Schools, Chamber, and Gov. Agencies (Priority I)	Resident Non-Residents (Priority II)	Milpitas Residents (Priority IV)	Non-Residents (Priority V)
Tennis Court Reservations (per court)	No fee	\$8.00/hr	\$8.00/hr	\$12.00/hr
Tennis Court Lights	No fee	\$10.00/hr	\$10.00/hr	\$14.00/hr
Application Fee (non-refundable)	\$20.00 / application	\$20.00 / application	\$20.00 / application	\$20.00 / application

\* At least 51% of the non-profit agency's members must be Milpitas residents.

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# CITY OF MILPITAS – MASTER FEE SCHEDULE

DEPARTMENT OR DIVISION	DESCRIPTION OF FEE RATE OR CHARGE	CURRENT FEE AND FEE STRUCTURE	OBJECTIVE (Priority, Fee Penalty, etc.)	DATE FEE LAST CHANGED
Recreation	Facility Fees, continued	See below	1,2	Res No. 7426 7/6/04

Festival Rental Fees	Milpitas Schools, Chamber and Gov. Agencies (Priority)	Resident Non-Profits (Priority)	Milpitas Residents (Priority)	Non-Residents (Priority)
Football Field / Open Space Fee w/o lights	No fee	\$250.00 / day	\$250.00 / day	\$500.00 / day
Staff Fees	\$30.00/hr	\$30.00/hr	\$30.00/hr	\$60.00/hr
Application Fee (non-refundable)	\$20.00 / application	\$20.00 / application	\$20.00 / application	\$20.00 / application

\* At least 51% of the non-profit agency's members must be Milpitas residents.

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# CITY OF MILPITAS – MASTER FEE SCHEDULE

DEPARTMENT OR DIVISION	DESCRIPTION OF FEE, RATE OR CHARGE	CURRENT FEE AND FEE STRUCTURE	OBJECTIVE (Reserve Cost, Fee, Penalty, Ass. Tax)	DATE FEE LAST CHANGED	
Recreation	Fitness Passes – Visit Books	5 uses: \$15 10 uses: \$30 15 uses: \$45 20 uses: \$60 Drop-in fee: \$5 Annual Non-resident fee: \$25/year	2	Mar 03	
	Adult Sports Programs	Time & Materials (within the policy ranges established by the Council)	1, 2	Res 6449 7/18/95	
	Softball League (full season)	\$375 per resident team \$400 corporate team \$425 non-resident team	2	Mar 03	
	Basketball League (full season)	\$375 per resident team \$400 corporate resident and resident church team \$425 non-resident team	2	Mar 03	
	Youth Sports Programs	Time & Materials (within the policy ranges established by the Council)	1, 2	Res 6449 7/18/95	
	Youth Sports Camps	Negotiated with instructor	2	Mar 03	

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# CITY OF MILPITAS – MASTER FEE SCHEDULE

DEPARTMENT OR DIVISION	DESCRIPTION OF FEE, RATE OR CHARGE	CURRENT FEE AND FEE STRUCTURE	OBJECTIVE 1- Rec'd/Local 2- User Fee 3- Priority 4- Tax	DATE FEE LAST CHANGED
Recreation	Teen Programs	Range from no charge to time & materials	1, 2	Res 6449 7/18/95
	Teen Center Events	\$3-\$10	2	
	Teen Center Snacks	\$0.50-\$2.00	2	
	Teen Center Drop-in Programs	\$2/visit	2	
Recreation	Aquatics Program			
	Recreational Swim	\$2 per person	2	Mar 03
	Swimming Lessons	Group \$56/session	2	Mar 03
	Private Swimming Lessons	\$30/half hour	2	Mar 03
	Parent-tot Drop-in swim pass – 5 visits	\$10 plus \$10 annual non-resident fee if applicable	2	
	Swim Team Support	Time & Materials	1, 2	Res 6449 7/18/95
	Monthly Swim Team Fee (Tidal Waves)	See table below	2	11/18/03

	Resident	Non-resident
Family Member	\$50 per month*	\$60 per month*
First child	\$40 per month*	\$50 per month*
Second child	\$30 per month*	\$40 per month*
Third child		

\*Plus yearly \$50 USS registration fee.

Recreation	Sports Center Membership Card replacement fee	\$5	2	
	Lost Locker Key	\$20	2	
	Kid Fit	\$2/2 hours	2	
	Open Gym Drop in Use only (no use of locker, shower or fitness center)	\$2/visit	2	
	Personal Training – Milpitas Sports Center	See table below	2	11/18/03

Personal Training Packages	Resident fee	Non-resident fee
Per session	\$50	\$60
First session orientation – 90 minutes	\$75	\$75
Packages		
• One session	\$50 per session	\$60 per session
• 2-5 sessions	\$45 per session	\$45 per session
• 6-10 sessions	\$40 per session	\$40 per session
• 11+ sessions	\$35 per session	\$35 per session

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Finance Department

# CITY OF MILPITAS - MASTER FEE SCHEDULE

DEPARTMENT OR DIVISION	DESCRIPTION OF FEE, RATE OR CHARGE	CURRENT FEE OR FEE STRUCTURE	OBJECTIVE	DATE FEE LAST CHANGED
Recreation	Rainbow Theatre			
	• Cast	\$65.00 resident \$85.00 non-resident	-2	Mar-03
	• Tickets Ages 0-12, 50+	\$6.00	2	Mar-03
	• Ages 13-49	\$8.00	2	
	• Costume Fee	\$100.00	2	
	• Picture/CD Fee	\$5.00-10.00	2	
	• Costume/Prop Rentals	\$20.00-\$100.00	2	
Recreation	Senior Citizen Programs			
	Senior Citizen Programs-Classes	\$1.50- \$3.00/hour	2	
	Senior Citizen Programs-Activity Card	\$8.00 resident	2	Jul 01 By SAC
	Senior Citizen Trip Admin Fee	\$8.00 non-resident	2	Dec 91
	Senior Citizen Trips	\$3.00-6.00/person Actual cost to city + Trip Admin/Transportation Fee	1,2	Dec-91
	Senior Dances	Free-\$15.00	1,2	
	Misc. Staff-run Programs (e.g., Holiday Dinner, Tea Parties, Cooking Classes, Misc. Activities)	Free-\$15.00	1,2	

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### Late Fee Policy

For the safety of our participants, it is required that they are picked up on time at the end of each class. Should the participant be picked up late, a \$10 late fee starting one (1) minute after the end of the class will be charged, with an additional \$10 for every ten (10) minutes thereafter. Should the participant not be picked up within thirty (30) minutes at the end of the class the Milpitas Police Department will be contacted.

### Contract Instructor Percentage Splits

The following percentage splits and criteria were implemented for Summer 2007:

- 60/40 - All new instructors offering programs in City facilities recruited for Summer 2007 and into the future would be paid at a 60/40 split. This percentage provides us a clear definition of what we need to do to ensure the success of their programs and the benefits they receive by contracting with us. This will require more negotiation with future instructors.
- 65/35 - We currently have one instructor at 65/35 split, a large number of instructors at 70/30 and a few at 75/25. Those that are at 70/30 will be renegotiated to 65/35 unless they fit into the criteria outlined in the 70/30 section. After one year, the 65/35 level will be re-evaluated. If the current economic climate improves, contract will be re-negotiated to 70/30.
- 70/30 - Majority of current instructors falls under this level. At this level longtime instructors with programs that continually meet the maximum enrollment are recognized for their loyalty and providing outstanding programs.

Finance Department

d) 7/5/25 – This level would only be used for "unique programs" that we do not have the ability to offer without the contractor's facility or equipment. Current examples include the Jensen School for the Performing Arts, Funakoshi Shotokan Karate, Bay Area Golf Learning Center, City Beach Rock Club, Mark Dorcak School of Golf. High-risk programs that require a large amount of additional insurance or overhead could be considered for this level on a case-by-case basis.

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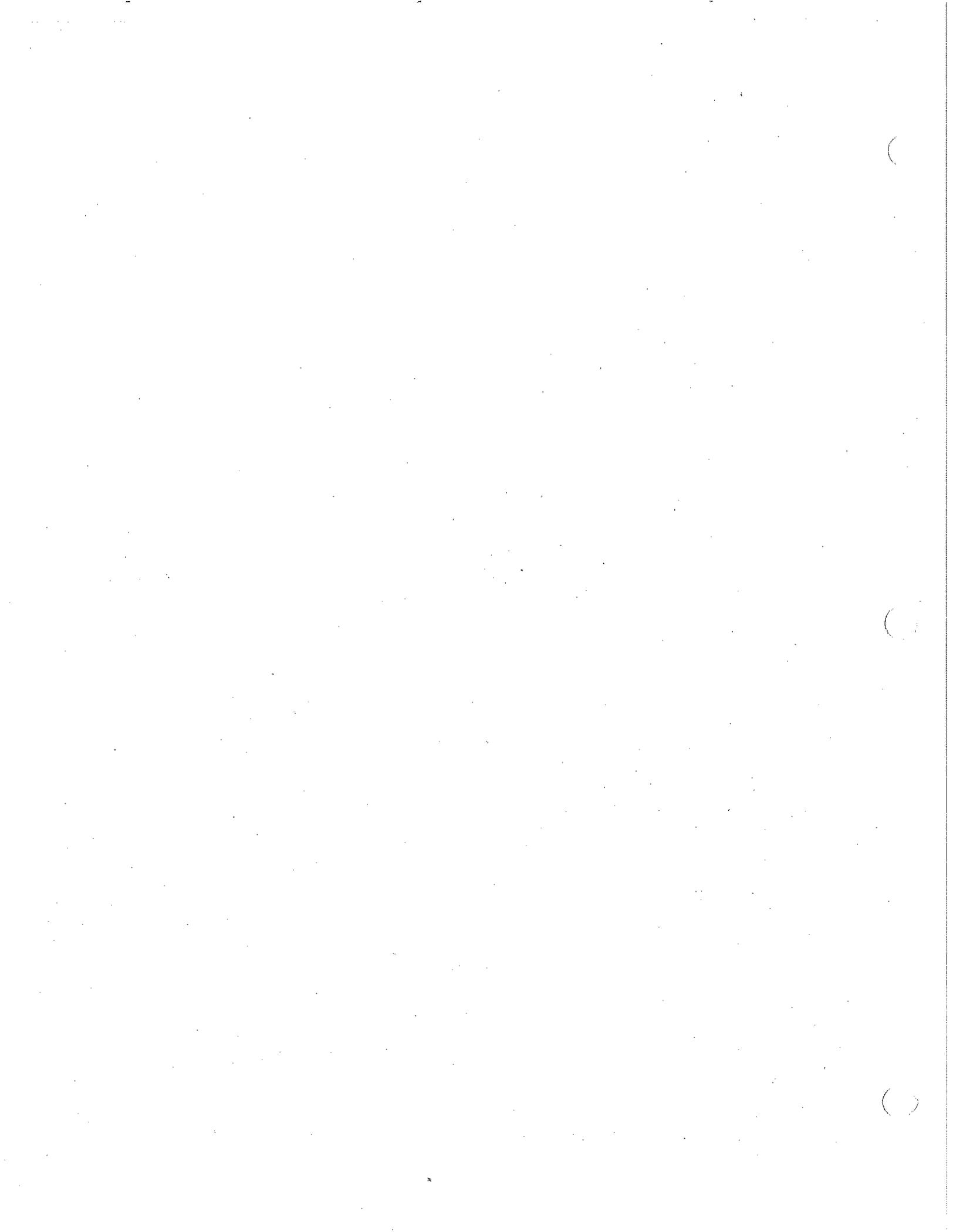
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# MEMORANDUM

*Department of Planning & Neighborhood Services*

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**To:** Emma Karlen, Finance Director  
**From:** James Lindsay, Planning & Neighborhood Services Director  
**Subject:** Appropriation for Park Site  
**Date:** February 25, 2009

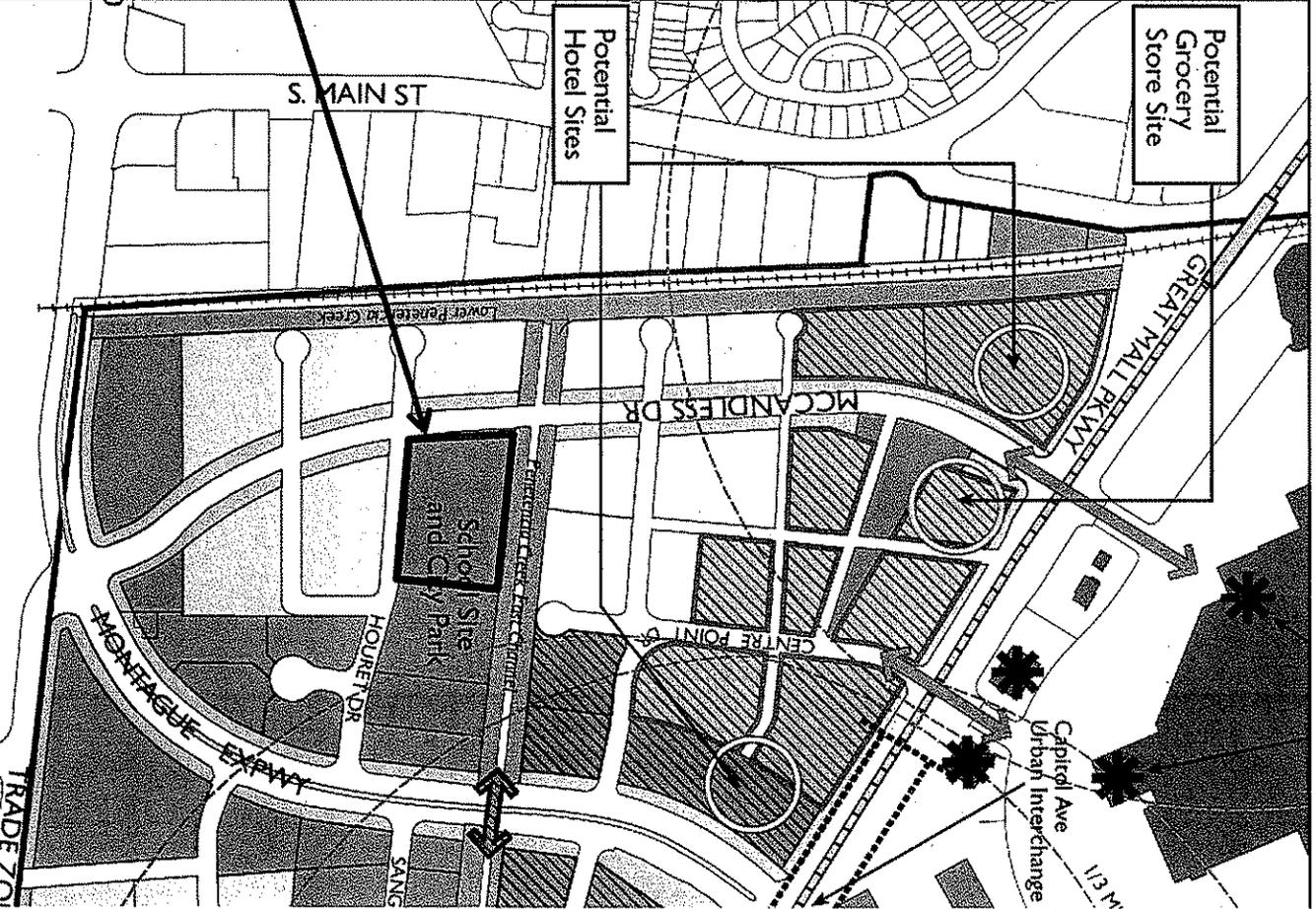
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Mission West Properties is willing to sell the 4.8 acre property they own at 1690 McCandless Drive to the Redevelopment Agency. This parcel is identified in the Transit Area Specific Plan as a piece of a larger seven acre community park envisioned along McCandless Drive. Cushman & Wakefield completed an appraisal of the property in August 2008 and valued the property and existing building at \$15 million. We are currently seeking their opinion about an update to the appraisal. Staff is recommending the RDA purchase the property given the willingness of the owner to sell and its importance in implementing the Transit Area Specific Plan. The purchase would require an appropriation this fiscal year of an amount not to exceed \$15 million.

Attachments:

1. Vicinity map showing the property
2. August 2008 appraisal

# Proposed Park Purchase



**APPRAISAL OF REAL PROPERTY**

**McCandless Drive Parcel**

1690 McCandless Drive  
Milpitas, Santa Clara County, California  
95035

**IN A SELF-CONTAINED  
APPRAISAL REPORT**

As of August 22, 2008

Prepared For:

City of Milpitas  
455 East Calaveras Boulevard  
Milpitas, California 95035

Prepared By:  
Cushman & Wakefield San Jose, California, Inc.  
Valuation Services, Capital Markets Group  
560 S Winchester Boulevard, Suite 200  
San Jose, CA 95128

C&W File ID: 08-31010-9294

VALUATION SERVICES



Mr. James Lindsay  
City of Milpitas  
August 22, 2008  
Page 2

The value opinion in this report is qualified by certain assumptions, limiting conditions, certifications, and definitions. We particularly call your attention to the hypothetical conditions listed below.

**Extraordinary Assumptions**

This appraisal employs no extraordinary assumptions.

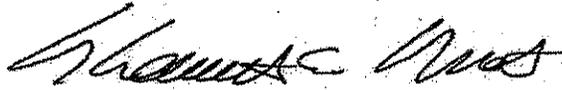
**Hypothetical Conditions:**

This appraisal employs the hypothetical condition that the building is not encumbered under the existing lease to Consentry Networks. We are appraising the Fee Simple interest.

This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and Addenda.

Respectfully submitted,

**CUSHMAN & WAKEFIELD SAN JOSE, CALIFORNIA, INC.**



---

Kenneth E. Matlin, MAI  
Senior Director  
California Certified General Appraiser  
License No. AG002022  
ken\_matlin@cushwake.com  
408-572-4140 Office Direct  
408-434-1554 Fax

## SUMMARY OF SALIENT FACTS

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Exposure Time: under 6 months

Marketing Time: under 6 months

### Extraordinary Assumptions and Hypothetical Conditions

#### Extraordinary Assumptions

An extraordinary assumption is defined by the *USPAP* (2008 Edition, The Appraisal Foundation) as "an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis."

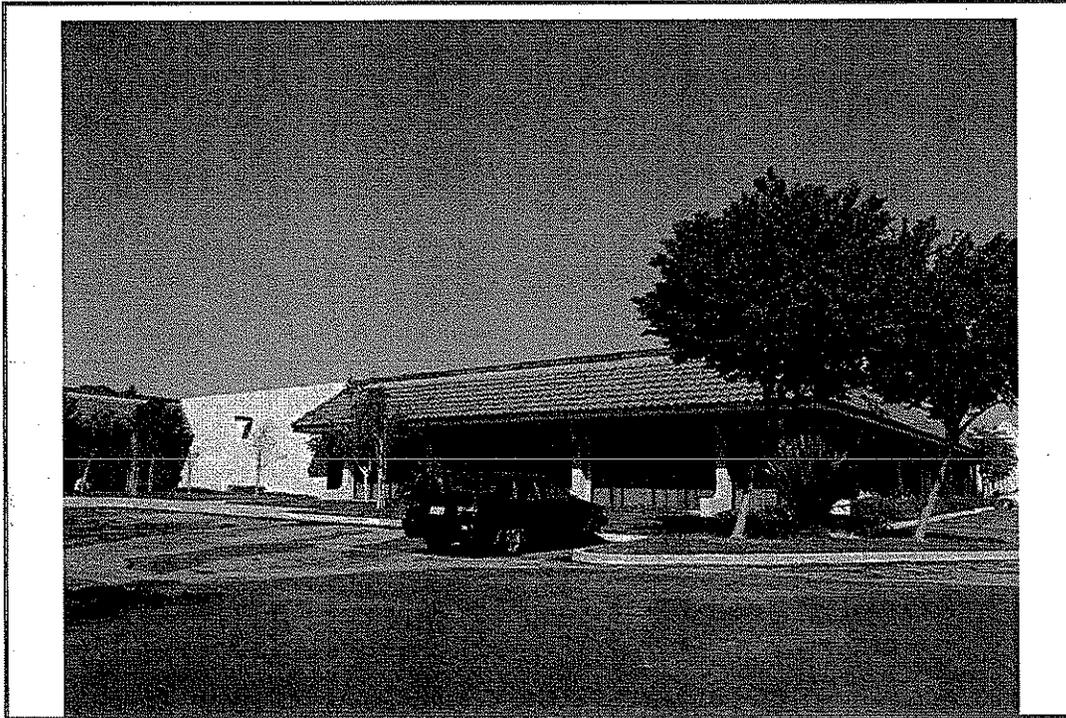
This appraisal employs no extraordinary assumptions.

#### Hypothetical Conditions

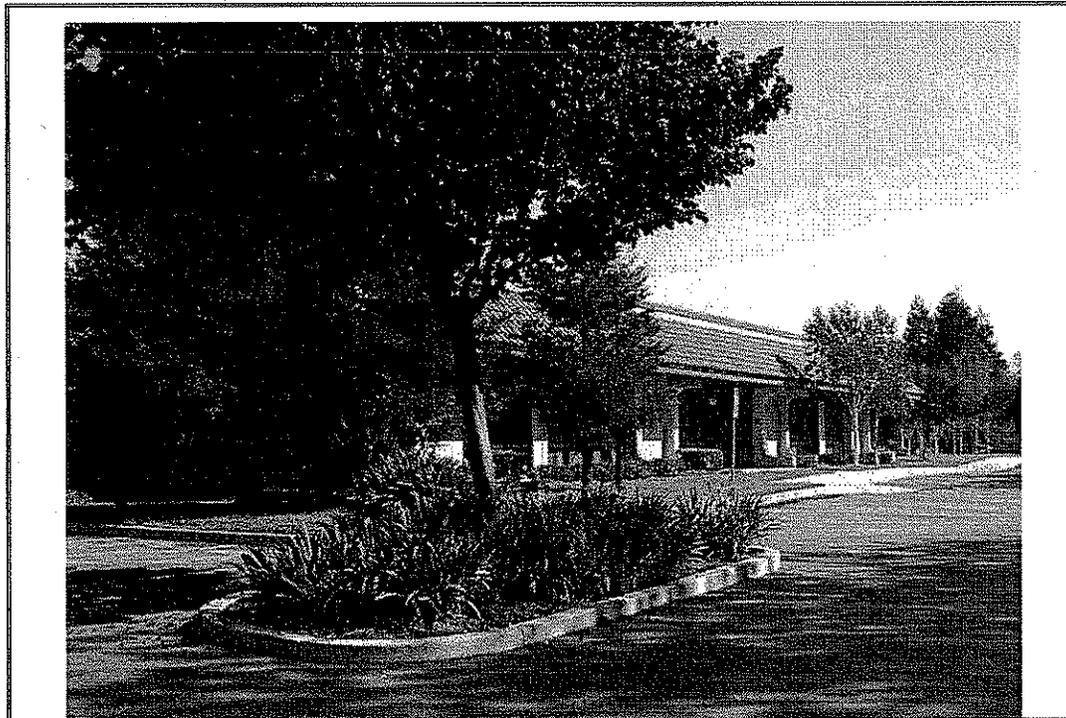
A hypothetical condition is defined by the *USPAP* (2008 Edition, The Appraisal Foundation) as "that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis."

This appraisal employs the hypothetical condition that the building is not encumbered under the existing lease to Consentry Networks. We are appraising the Fee Simple interest.

**SUBJECT PHOTOGRAPHS**



View of Subject Building From Southwest Corner



View of Subject Building From Northwest Corner

SUBJECT PHOTOGRAPHS



Looking North Along McCandless Drive



Looking South Along McCandless Drive

### Scope of Work

This report was prepared for City of Milpitas and is intended only for their specified use in negotiating the purchase of the land with the property owner, Mission West Properties, LLC. It may not be distributed to or relied upon by any other persons or entities without the written permission of Cushman & Wakefield of California, Inc.

This appraisal report has been prepared in accordance with our interpretation of the Scope of the assignment, and the Uniform Standards of Professional Appraisal Practice (USPAP), including the Competency Provision.

Cushman & Wakefield of California, Inc. has an internal Quality Control Oversight Program. This Program mandates a "second read" of all appraisals. Assignments prepared and signed solely by designated members (MAIs) are read by another MAI who is not participating in the assignment. Assignments prepared, in whole or in part, by non-designated appraisers require MAI participation, Quality Control Oversight, and signature.

For this assignment, Quality Control Oversight was provided by Robert Farwell, MAI.

The scope of this appraisal required collecting primary and secondary data relevant to the subject property. We investigated numerous land sales in the subject's market, analyzed the data, and considered the input of buyers, sellers, brokers, property developers and public officials. We made a physical inspection of the subject property and the land sales. We also investigated the general regional economy as well as the specifics of the subject property's local area.

The data have been thoroughly analyzed and confirmed with sources believed to be reliable, leading to the value conclusions in this report. The valuation process used generally accepted market-derived methods and procedures appropriate to the assignment.

This appraisal employs only the Sales Comparison Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that only this approach would be considered necessary and applicable for market participants.

As the subject's highest and best use is for redevelopment with residential uses, we will compare the subject site to residentially zoned land sales and listings in the market area.

Therefore, we have not employed the Cost Approach or the Income Capitalization Approach to develop an opinion of market value.

### Identification of Property

Common Property Name: McCandless Drive Parcel  
Location: 1690 McCandless Drive  
Milpitas, Santa Clara County, California 95035  
Property Description: A 4.810-acre parcel of land.  
Assessor's Parcel Number: 086-41-017 & 018  
Legal Description: The subject's legal description was provided and a copy of the

3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (12 C.F.R. Part 34.42(g) *Federal Register* 34696, August 24, 1990, as amended at 57 *Federal Register* 12202, April 9, 1992; 59 *Federal Register* 29499, June 7, 1994)"

### Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

### Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations; the lessee and lessor each acting prudently and knowledgeably, and assuming consummation of a lease contract as of a specified date and the passing of the leasehold from lessor to lessee under conditions whereby:

6. Lessee and lessor are typically motivated.
7. Both parties are well informed or well advised, and acting in what they consider their best interests.
8. A reasonable time is allowed for exposure in the open market.
9. The rent payment is made in terms of cash in United States dollars, and is expressed as an amount per time period consistent with the payment schedule of the lease contract.
10. The rental amount represents the normal consideration for the property lease unaffected by special fees or concessions granted by anyone associated with the transaction.

### Cash Equivalence

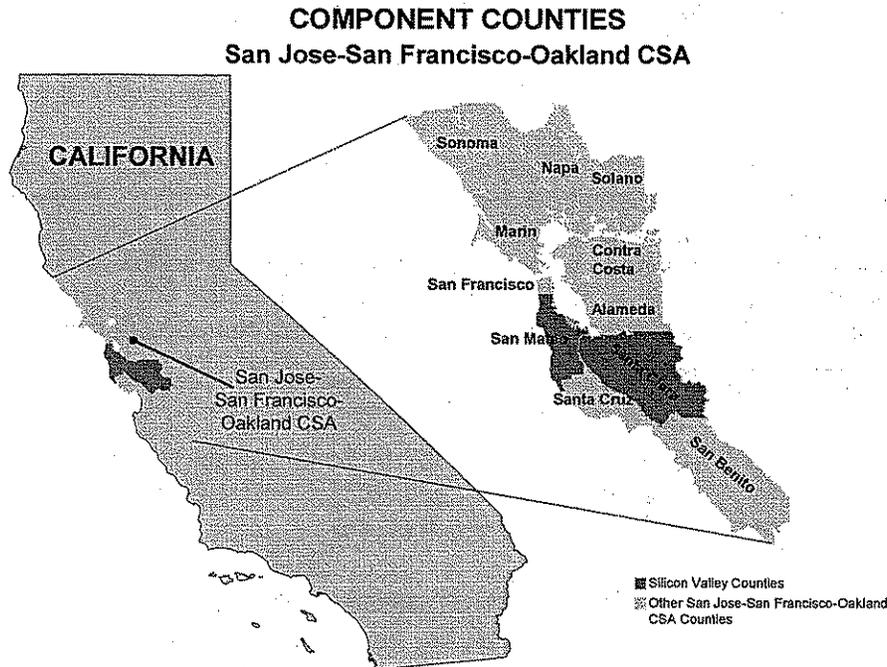
A price expressed in terms of cash, as distinguished from a price expressed totally or partly in terms of the face amounts of notes or other securities that cannot be sold at their face amounts. Calculating the cash-equivalent price requires an appraiser to compare transactions involving atypical financing to transactions involving comparable properties financed at typical market terms.

### Value As Is

The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning.



# GREATER SILICON VALLEY REGIONAL ANALYSIS



## Current Trends

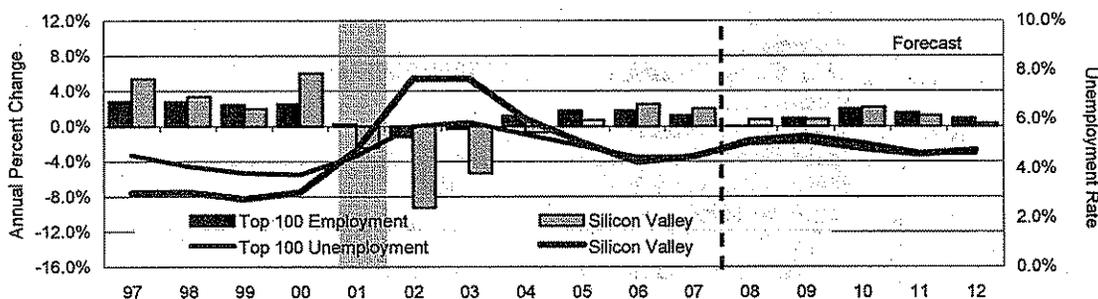
As reported in the Silicon Valley/San Jose Business Journal, Silicon Valley added jobs, but the jobless rate rose to 6.1 percent in June 2008. This compares to an unadjusted rate of 6.9 percent statewide and 5.7 percent nationally in the same period. Unemployment was 4.8 percent in June 2007. The number of jobs in the MSA, which includes San Benito County, grew by 800 or 0.1 percent compared to last year, according to the state Employment Development Department. The total number of jobs in the area reached 923,200. Among the industries showing gains were manufacturing, up 1,800 jobs; computer and electronic products were up 2,000 jobs, and seasonal food processing were up 700 jobs. Also growing by at least 500 jobs were private educational and health services; information; government; trade, transportation and utilities; other services, and professional and business services. The sectors showing significant job losses include construction, down 2,700 jobs; financial activities were down 1,100 jobs; machinery manufacturing, down 500 jobs and fabricated metals, down 300 jobs.

The housing downturn has not gone without local effect. Although home prices in the region remain among the most expensive in the nation on average, the collapse of subprime lending, which applies generally to lower end homes, has had less severe consequences. Like most regions in the nation, foreclosures are on the rise, as San Jose recorded a 162 percent increase in foreclosures in 2007 over the prior year. Overall, household credit quality remains better than average, however the spread between San Jose's delinquency rates and the US. average has narrowed rapidly in recent months and will likely continue to do so through 2008.

Silicon Valley's venture capital investments through first quarter 2008 (most current data available) totaled 306 deals for approximately \$2.6 billion; the largest in the nation. The tech base of the economy is diversifying, with record investment levels in clean technology, as noted above. Although Life Sciences (biotechnology and medical devices/equipment together) investments saw a decline nationally in second quarter 2008, the sector still accounted for 22.0 percent of total venture capital placements locally. Software investment was the number one

## GREATER SILICON VALLEY REGIONAL ANALYSIS

### TOTAL EMPLOYMENT GROWTH AND UNEMPLOYMENT RATE BY YEAR Silicon Valley vs. Top 100 1997 – 2012



Source: Data Courtesy of Moody's Economy.com, Cushman & Wakefield Research

Through the late 1990s and early part of this decade, Silicon Valley's unemployment rate discounted the national average. However, with the 2001 economic recession and the corresponding loss of more than 300,000 jobs, Silicon Valley's unemployment rate escalated to levels well above that of the Top 100.

- The jobless rate which had jumped from its low average of only 2.8 percent in 1999 to a peak of 7.7 percent in 2003, decreased to an average of 4.3 percent by year-end 2006, slightly below the Top 100 average rate of 4.4 percent.
- Between 2007 and 2012, Silicon Valley's unemployment rate is projected to trend in line with the Top 100 at 4.8 percent average rate by 2012.

Silicon Valley's employment base is far less diversified than that of the Top 100. High-tech employment accounts for 15.7 percent of all employment within Silicon Valley, compared to 8.6 percent across the Top 100. As a still growing economy that lacks significant diversity across industrial sectors, Silicon Valley tends to exhibit more volatile growth than do more economically diversified markets.

- As seen in the following exhibit, compared to the Top 100, Silicon Valley's employment is significantly more concentrated in Manufacturing, Information and Professional and Business Services. Each of these sectors locally has substantial high-tech components.
- Compared to the Top 100, Silicon Valley is less weighted in the Government, Financial Activities, and Education and Health Services sectors.

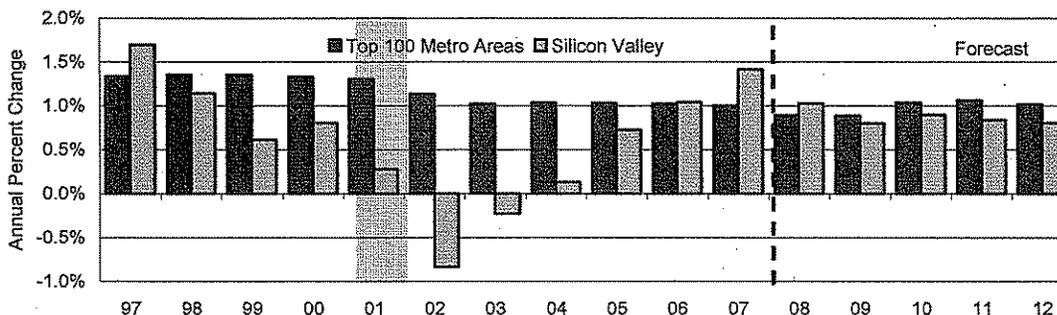
## GREATER SILICON VALLEY REGIONAL ANALYSIS

<b>Demographic Characteristics</b> Silicon Valley vs. Top 100 MSAs and U.S. 2007 Estimates			
Characteristic	Silicon Valley	Top 100 Metro Areas	U.S.
Median Age (years)	37.0	36.3	36.5
Average Annual Household Income	\$105,804	\$73,173	\$66,670
Median Annual Household Income	\$80,284	\$54,652	\$49,314
<i>Households by Annual Income Level:</i>			
<\$25,000	12.3%	21.2%	23.9%
\$25,000 to \$49,999	17.2%	25.1%	26.8%
\$50,000 to \$74,999	17.4%	19.5%	19.5%
\$75,000 to \$99,999	14.7%	12.8%	11.9%
\$100,000 plus	38.4%	21.4%	17.9%
<i>Education Breakdown:</i>			
< High School	18.2%	18.4%	19.4%
High School Graduate	17.2%	26.0%	28.4%
College < Bachelor Degree	27.7%	27.8%	27.6%
Bachelor Degree	22.6%	17.8%	15.7%
Advanced Degree	14.3%	10.1%	8.9%

Source: Claritas, Inc., Cushman & Wakefield Research

Silicon Valley, with a current population of 2.4 million, significantly lagged the Top 100 in terms of population growth over the past ten years.

### POPULATION GROWTH BY YEAR Silicon Valley vs. Top 100 1997 - 2012



Source: Data Courtesy of Moody's Economy.com, Cushman & Wakefield Research

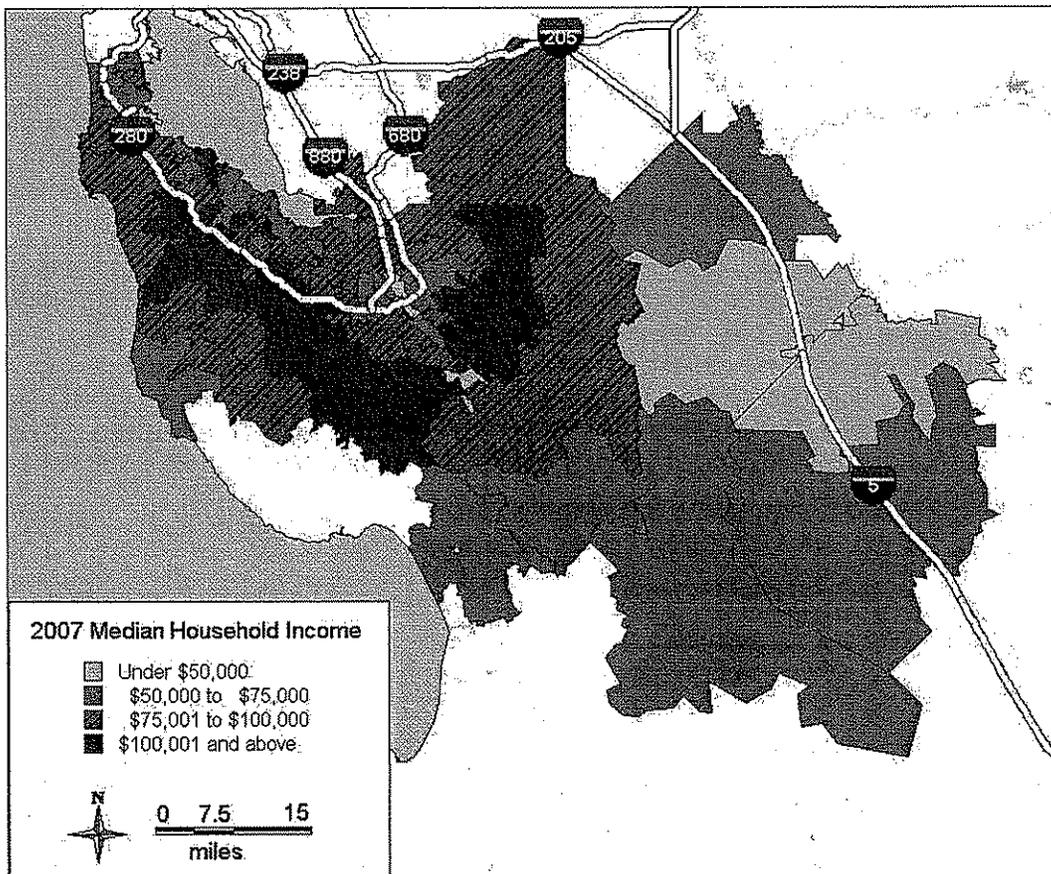
- Silicon Valley's average annual growth rate between 1997 and 2007 of just 0.5 percent was substantially below the Top 100's 1.2 percent average annual growth.
- Silicon Valley's population growth is forecast to continue to under-perform the Top 100 over the forecast period, averaging annual growth of 0.9 percent compared to the Top 100's forecast of 1.0 percent.

## GREATER SILICON VALLEY REGIONAL ANALYSIS

Silicon Valley remains the most affluent region in the Bay Area. Households with the highest incomes are generally located to the south and west of Interstate 280, as well as to the south and east of Interstate 680.

### MEDIAN HOUSEHOLD INCOME DISTRIBUTION BY ZIP CODE

Silicon Valley  
2007 Estimates

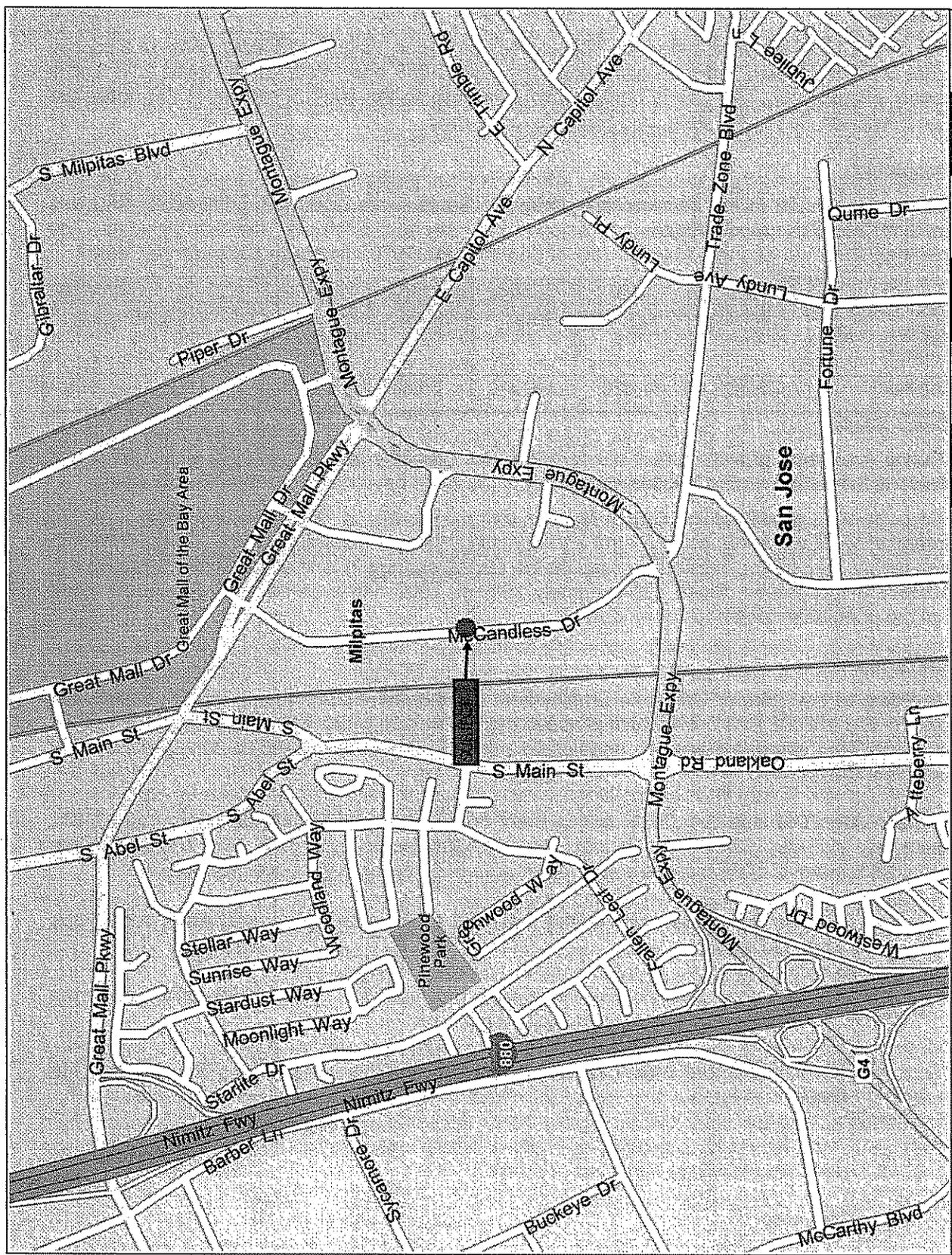


Source: Claritas, Inc., Cushman & Wakefield Research

### Market Competitiveness

The Silicon Valley economy, although still recovering from effects of the 2001 dot-com downturn, is adjusting to the local and national economic conditions present in second quarter 2008. According to Moody's Economy.com, "the broad global exposure of so many of the area's basic industries, however, helps to shore up the bottom line of many San Jose based firms, even if caution now permeates local hiring and spending patterns." Demand for tech products and services remain relatively strong, as makers of computers and electronic hardware posted payroll gains in 2007 for the first time since the 2000 dot-com bust. Also, economic expansion in the region is somewhat more diversified now than six or seven years ago.

# LOCAL AREA MAP



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© Copyright 2000 by Geographic Data Technology, Inc. All rights reserved. © 2000 Navigation Technologies. All rights reserved. This data includes information taken with permission from Canadian authorities © Her Majesty the Queen in Right of Canada. ©  
Copyright 2000 by CompuSearch Micromarketing Data and Systems Ltd.

## LOCAL AREA ANALYSIS

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According to the City of Milpitas Planning Division June 2008 report, there are several new residential projects approved or under construction, which will add approximately 2,225 single family, townhouse and condominium units to the residential supply. 374 of the above total units reflect the subject project and 285 of the units are in the townhome phase of the Murphy Ranch project. Therefore, the subject project and its sister for sale project represent almost 30% of all of the residential projects either approved or under construction in Milpitas.

There are over 4,100 prospective units in several other projects are in the process of application and approval. However, there is no guarantee that these projects will obtain city approval or when they would come on line.

### Retail

The Great Mall of the Bay Area is also located in Milpitas. Often just called Great Mall, it is the largest mall in Northern California. It is situated at the intersections of Great Mall Parkway (which becomes Capitol Expressway when it crosses Montague Expressway) and Montague Expressway. Great Mall, unlike other malls, is a "flat" mall—it has only one story but takes up a large amount of land. Great Mall features manufacturers' and retail outlets including OFF 5th Saks Fifth Avenue, St. John Knits Outlet, Abercrombie & Fitch Outlet, Bebe Outlet, Hollister Outlet, American Eagle Outfitters and The Sharper Image Outlet. Entertainment venues include Dave & Buster's, Century Theatres and more.

Redevelopment is underway on a portion of the Town Center at East Calaveras and North Milpitas Boulevards to include a new supermarket and commercial area, along with 65 residential town homes (included in the number stated above).

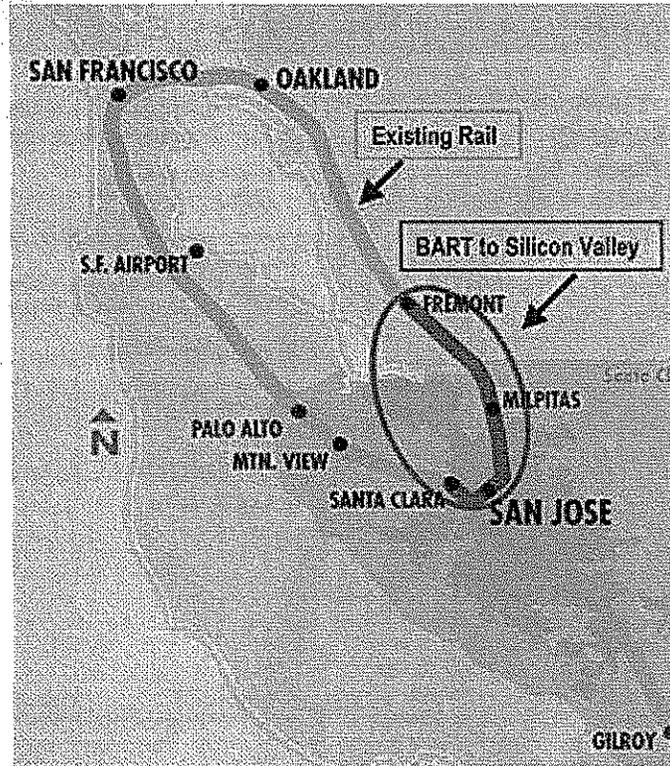
### Transportation

Milpitas has access to all major forms of transportation. San Jose International Airport, located approximately ten miles west of the city, provides both national and international service, as well as commuter service to most areas of the state. In addition, San Francisco International Airport (45 miles north) is within easy commute by one of the major freeways, which traverse the City and County. Freight transport is available through 62 interstate trucking carriers and 400 radial carriers who directly serve the area. In addition, the Union Pacific Railroad provides both passenger and freight lines to points throughout the state. The light rail line opened for service in 2004 and an extension of BART, with a major multi-modal station in the planning stages.

Although the Greyhound Bus Lines connect the major cities in the Bay Area and the Santa Clara County Transit System provides bus service to all communities within the County, the automobile is the primary means of transportation. Interstate 880 courses in a north/south direction along the east shore of San Francisco Bay into Oakland. Interstate 680 course from San Jose northerly to Fairfield. An extensive expressway system, in addition to State Route 237, complements the area's access to the major freeway system.

### Summary

Milpitas is a progressive community that is an integral part of the high tech Silicon Valley. Milpitas features quality schools; nine elementary schools, two middle schools, and two high schools that are well known throughout the State for their high academic standards. It offers conveniently located neighborhood parks and shopping centers and a population rich in diversity. The City offers executive housing, a strong employment and diversified economic base, and a growing and well-educated population.



**Project Schedule:**

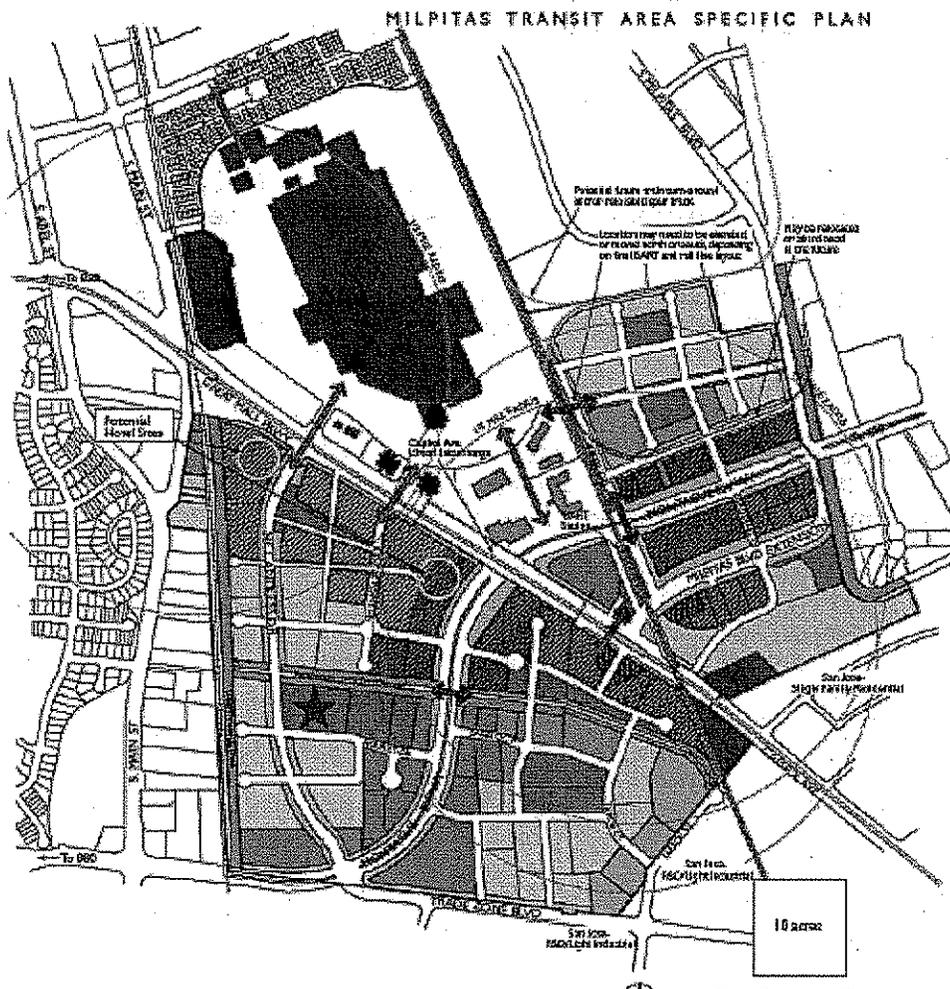
- Preliminary Engineering (Completed in December 2006)
- Final design (2007 – 2010)
- Construction (2008 – 2015)
- Begin Revenue Service (2016)

West: Light Industrial Uses and Residential uses

The city of Milpitas recently rezoned the area surrounding the subject property according to the Milpitas Transit Area Specific Plan. This includes the area from The Great Mall of the Bay Area to the North, South to Trade Zone Boulevard, West to the Union Pacific railroad tracks, and east to South Milpitas Boulevard. This change reflects a significant shift in land uses from primarily light industrial to residential and mixed use.

This change is to take advantage of the future BART extension as mentioned above as well as the continuing emphasis of changing land uses in the market area.

A copy of the Transit Area Plan is exhibited below:



**Special Hazards or Adverse Influences**

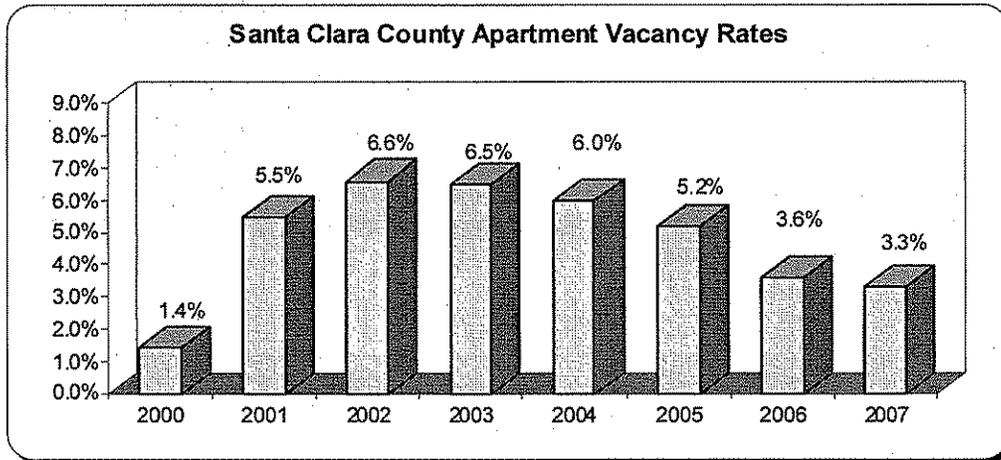
No adverse influences were noted.

# LOCAL AREA ANALYSIS

## DEMOGRAPHIC PROFILE 1690 MCCANDLESS DRIVE MILPITAS, CALIFORNIA

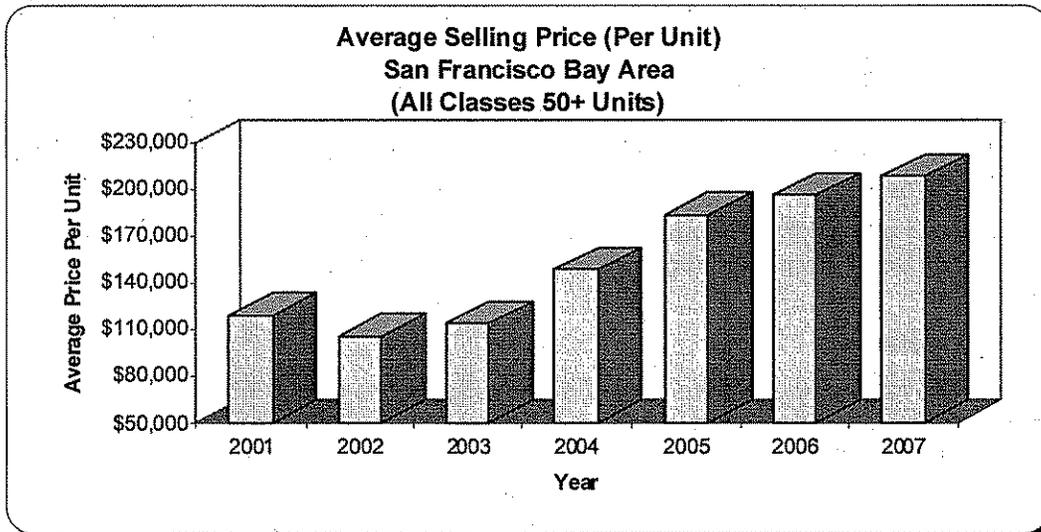
	1.0 MILE	3.0 MILES	5.0 MILES	MILPITAS	SANTA CLARA COUNTY, CA	CALIFORNIA
<b>Population</b>						
2000 Population	10,168	131,072	304,547	62,698	1,682,585	33,871,848
2007 Population	10,923	138,397	323,492	64,725	1,738,070	37,075,982
2012 Population	11,442	144,954	339,985	66,892	1,797,925	39,684,022
% Change 2000 to 2007	1.03%	0.78%	0.87%	0.46%	0.46%	1.30%
% Change 2007 to 2012	0.93%	0.93%	1%	0.66%	0.68%	1.37%
<b>Per Capita Personal Income</b>						
2000 Per Capita Personal Income	\$22,402	\$28,450	\$25,083	\$27,830	\$32,795	\$22,711
2007 Per Capita Personal Income	\$24,293	\$32,836	\$28,620	\$31,839	\$36,603	\$26,250
2012 Per Capita Personal Income	\$25,808	\$35,807	\$31,135	\$34,516	\$39,410	\$28,827
% Change 2000 to 2007	1.16%	2.07%	1.90%	1.94%	1.58%	2.09%
% Change 2007 to 2012	1.22%	1.75%	1.70%	1.63%	1.49%	1.89%
<b>Households</b>						
2000 No. Households	2,365	38,196	90,025	17,132	565,863	11,502,870
2007 No. Households	2,564	40,361	95,191	17,508	576,536	12,461,651
2012 No. Households	2,708	42,350	99,976	18,038	582,581	13,275,749
% Change 2000 to 2007	1.16%	0.79%	0.80%	0.31%	0.27%	1.15%
% Change 2007 to 2012	1.10%	0.97%	0.99%	0.60%	0.55%	1.27%
<b>Persons Per Household</b>						
2000 Persons Per Household	3.44	3.33	3.27	3.47	2.92	2.87
2007 Persons Per Household	3.48	3.33	3.3	3.52	2.97	2.91
2012 Persons Per Household	3.51	3.33	3.31	3.54	2.99	2.92
% Change 2000 to 2007	0.20%	0.02%	0.11%	0.19%	0.21%	0.16%
% Change 2007 to 2012	0.16%	0.01%	0.06%	0.12%	0.15%	0.11%
<b>Average Household Income</b>						
2000 Avg Household Income	\$80,029	\$95,345	\$82,737	\$97,575	\$96,293	\$65,680
2007 Avg Household Income	\$89,000	\$110,684	\$95,575	\$114,213	\$109,366	\$76,956
2012 Avg Household Income	\$95,751	\$120,787	\$104,317	\$124,733	\$118,651	\$85,077
% Change 2000 to 2007	1.53%	2.15%	2.08%	2.27%	1.84%	2.29%
% Change 2007 to 2012	1.47%	1.77%	1.77%	1.78%	1.64%	2.03%
<b>Income Ranges</b>						
Median Income	\$80,277	\$93,374	\$77,696	\$94,777	\$84,157	\$56,379
\$150,000 or more	11.84%	20.65%	16.02%	22.72%	20.40%	9.76%
\$100,000 to \$149,000	20.97%	24.64%	20.05%	23.90%	20.35%	13.88%
\$75,000 to \$99,999	21.78%	17.76%	15.61%	16.19%	14.60%	12.57%
\$50,000 to \$74,999	19.84%	16.75%	17.58%	15.96%	16.92%	18.52%
\$35,000 to \$49,999	11.87%	8.42%	10.58%	8.41%	10.03%	14.13%
\$25,000 to \$34,999	4.87%	4.01%	6.41%	4.98%	5.94%	9.87%
\$15,000 to \$24,999	4.62%	3.24%	5.67%	3.67%	5.28%	9.69%
Under \$15,000	4.20%	4.53%	8.07%	4.17%	6.49%	11.59%
2000 Median Income	\$74,205	\$84,056	\$69,438	\$84,709	\$74,531	\$47,945
2012 Median Income	\$84,794	\$99,739	\$83,732	\$101,812	\$90,380	\$61,948
<b>Occupancy</b>						
2007 Occupied Housing Units	2,564	40,361	95,191	17,508	576,536	12,461,651
Owner Occupied	67.81%	68.06%	56.21%	69.12%	59.47%	57.52%
Renter Occupied	32.19%	31.94%	43.79%	30.88%	40.53%	42.48%
<b>Education</b>						
2000 Population 25+ by Education Level	6,741	87,492	195,869	41,089	1,113,058	21,298,900
Bachelors Degree Only	16.33%	24.87%	20.76%	24.33%	24.03%	17.09%
Graduate Degree	7.44%	12.30%	10.46%	12.19%	16.45%	9.53%
<b>Retail Trade Potential</b>						
Total Retail Potential	\$574,868,202	\$2,441,174,791	\$5,380,396,214	\$1,226,932,221	\$27,283,954,398	\$571,864,860,608
Apparel Accessory	\$126,198,306	\$222,297,069	\$294,019,147	\$199,642,654	\$1,823,234,909	\$30,711,293,150
Automotive Dealers	\$51,817,563	\$194,872,101	\$405,752,435	\$26,228,290	\$3,851,547,911	\$114,604,914,854
Automotive & Home Supply Stores	\$6,540,306	\$40,893,329	\$72,861,942	\$5,834,292	\$254,531,961	\$8,652,241,642
Drug & Proprietary Stores	\$40,195	\$32,563,284	\$121,364,962	\$18,585,745	\$936,977,999	\$21,743,546,275
Eating & Drinking Places	\$61,013,183	\$324,439,712	\$632,286,814	\$193,713,084	\$2,974,289,944	\$58,499,567,668
Food Stores	\$22,600,312	\$269,862,154	\$585,703,661	\$136,147,161	\$3,669,672,954	\$73,898,790,904
Furniture Home Furnishing Stores	\$12,521,399	\$73,042,570	\$169,331,798	\$22,790,451	\$711,257,819	\$17,235,042,784
Home Appliance, Radio, & T.V. Stores	\$25,529,318	\$167,785,083	\$398,516,187	\$50,173,031	\$1,355,237,012	\$19,734,251,359
Gasoline Service Stations	\$25,554,342	\$185,333,045	\$275,177,408	\$89,432,658	\$1,059,432,993	\$33,589,050,178
General Merchandise	\$21,771,200	\$118,422,195	\$404,973,610	\$68,658,298	\$3,071,228,041	\$64,728,209,247
Department Store	\$21,145,647	\$110,816,379	\$294,114,242	\$63,295,595	\$1,898,814,020	\$38,950,313,044
Hardware, Lumber & Garden Stores	\$73,132,829	\$311,796,975	\$598,334,679	\$162,831,988	\$3,095,370,823	\$61,384,039,065
<b>Retail Sales</b>						
Total Retail Sales - Including Food Services 2007	NA	NA	NA	NA	NA	\$571,864,860,000
Total Retail Sales - Not Including Food Services 2007	NA	NA	NA	NA	NA	\$513,365,283,000
Total Retail Sales - Including Food Services 2012	NA	NA	NA	NA	NA	\$677,194,961,000

## RESIDENTIAL LAND MARKET ANALYSIS



Rental concessions, which were quite prevalent through the first half of the 1990s, became more prevalent during the early part of this decade due to the softening of the rental market. However, market conditions have stabilized and the level of concessions offered has declined.

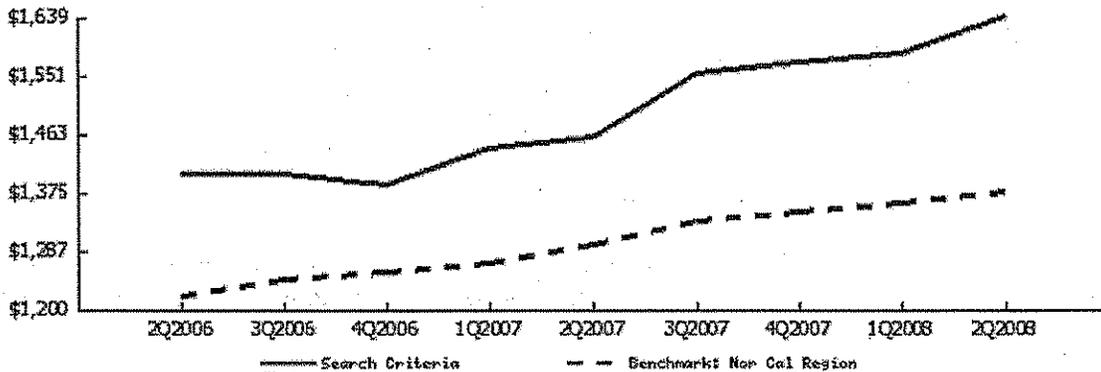
Apartment prices for larger complexes (those containing 50 units or more) in the metropolitan area have increased by a compounded rate of 10.0 percent per year since 2000 when the average price was approximately \$108,000 per unit. The recent averages include \$147,976 in 2004, \$182,907 during 2005, and \$196,021 during 2006. The average increased moderately to \$207,916 during 2007. The average price paid per unit for the San Francisco Bay Area is shown in the following graph.



Like the market vacancy rates, the strength of the market during the latter 1990s and early 2000s resulted in a fairly strong increase in average rental rates. Between 1997 and 2000, the

## RESIDENTIAL LAND MARKET ANALYSIS

	Average Asking Rent									
	2Q2006	3Q2006	4Q2006	1Q2007	2Q2007	3Q2007	4Q2007	1Q2008	2Q2008	1 Yr. Change
<b>AVERAGE</b>	\$1,405	\$1,405	\$1,387	\$1,443	\$1,460	\$1,554	\$1,572	\$1,586	\$1,639	12.2%
studio										
jr 1bd	\$1,235	\$1,235	\$1,111	\$1,210	\$1,220	\$1,330	\$1,286	\$1,286	\$1,403	15.0%
1bd 1bth	\$1,224	\$1,224	\$1,223	\$1,270	\$1,281	\$1,366	\$1,380	\$1,397	\$1,439	12.3%
2bd 1bth	\$1,255	\$1,255	\$1,283	\$1,329	\$1,337	\$1,471	\$1,535	\$1,559	\$1,612	20.6%
2bd 2bth	\$1,579	\$1,579	\$1,540	\$1,578	\$1,587	\$1,685	\$1,639	\$1,651	\$1,694	6.8%
2bd TH	\$1,511	\$1,511	\$1,560	\$1,495	\$1,565	\$1,645	\$1,670	\$1,825	\$1,900	21.4%
3bd 2bth	\$1,902	\$1,902	\$1,828	\$1,924	\$2,009	\$2,022	\$2,174	\$2,161	\$2,254	12.2%
3bd TH										

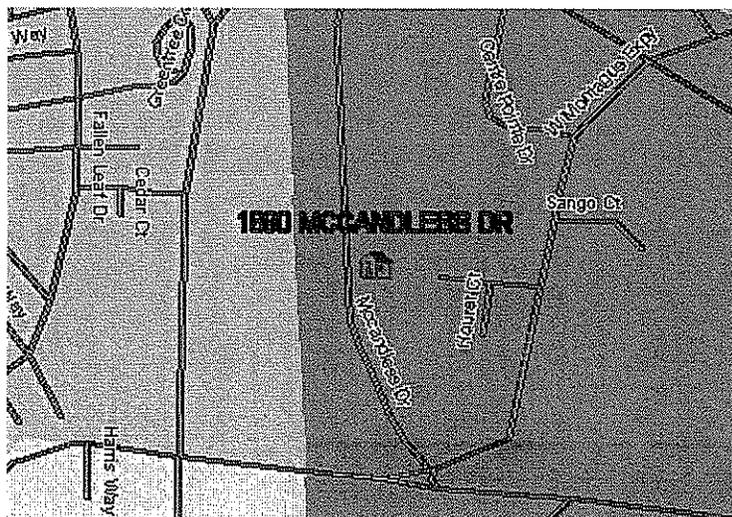


As seen, the average asking rents in the 2nd Quarter of 2008 for the various units range from \$1,403 to \$2,254 per month with an overall average of \$1,639 per month.

Rental rates over the last 12 months showed an overall increase of 12.2 percent. The lowest increase was posted by the two-bedroom two-bath flat units. The largest increase was for two-bedroom townhouse units. The remaining unit types reflected increases above and below the overall average.

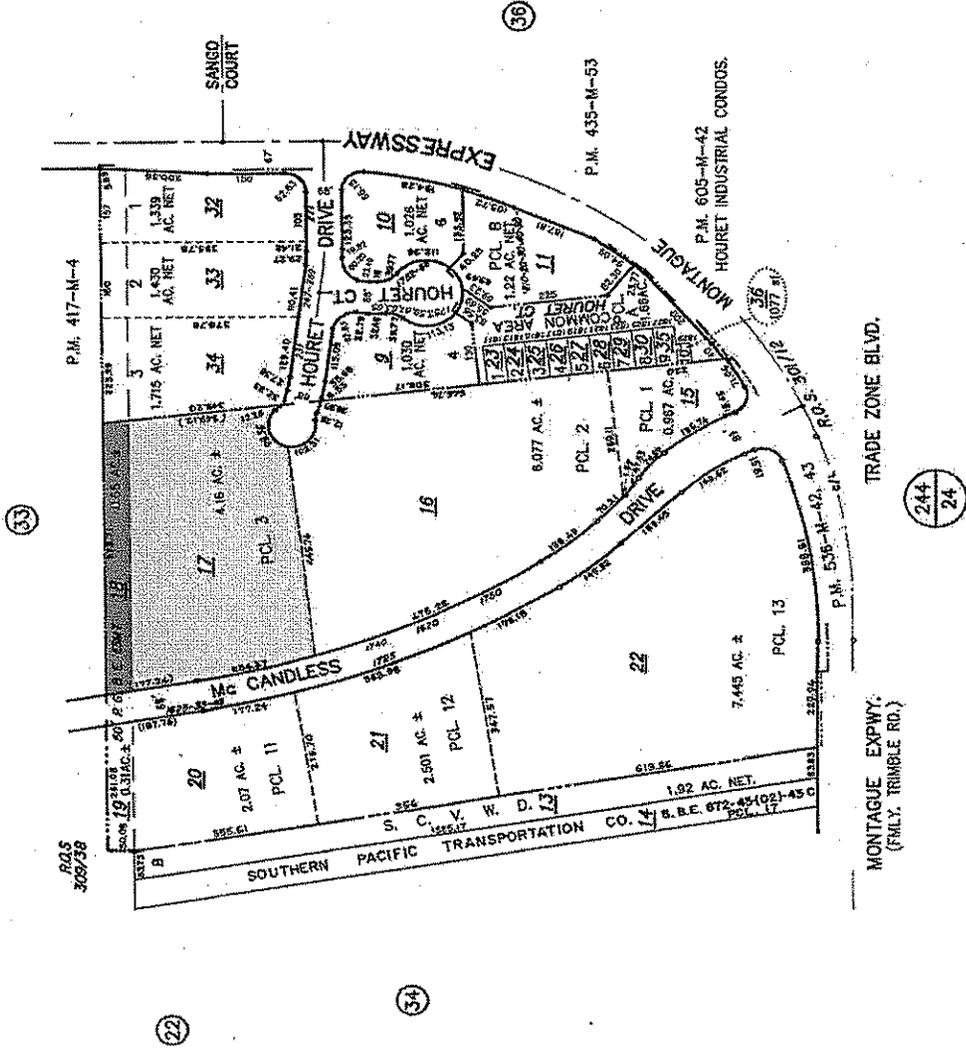
## SITE DESCRIPTION

- Location:** 1690 McCandless Drive  
Milpitas, Santa Clara County, California 95035  
The subject site is located along the easterly line of McCandless Drive about 1/2 block north of Montague Expressway.
- Shape:** Irregular
- Topography:** The subject site is level and at street grade
- Land Area:** 4.81 gross acres (4.81 net acres)  
209,524 gross square feet (209,524 net square feet)  
One of the subject parcels has a PG&E easement that prevents construction over the easement. However, the easement can be used to meet set back requirements, density requirements and can be landscaped and parked. For this reason we have included this parcel in calculating the net land.
- Frontage, Access, Visibility:** The subject site excellent frontage and access on to McCandless Boulevard.
- Soil Conditions:** We did not receive nor review a soil report. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate.
- Utilities** All usual and typical public utilities are available to the site.
- Site Improvements:** The site improvements include concrete and asphalt paved parking areas, curbing, signage, landscaping, yard lighting and drainage.
- Land Use Restrictions:** We were not provided with a title report to review. Therefore, we have assumed no exceptions exist that could adversely impact the marketability or utility of the subject site.
- Flood Map:** National Flood Insurance Rate Map Community Panel Number 060334-0003G dated June 22, 1998.



OFFICE OF COUNTY ASSESSOR — SANTA CLARA COUNTY, CALIFORNIA

BOOK 86 PAGE 41



LAWRENCE E. STONE — ASSESSOR  
 Updated map for assessment purposes only.  
 Compiled under R. & T. Code, Sec. 337.  
 Effective Roll Year 2008-2007

## REAL PROPERTY TAXES AND ASSESSMENTS

Taxes are levied against all real property in this locale for the purpose of providing funding for the various municipalities. The amount of ad valorem taxes is determined by the current assessed value for the property in conjunction with the total combined tax rate for the municipalities. The property is subject to the taxing jurisdiction of Santa Clara County.

Under the provisions of Article XIII A of the California Tax and Revenue Code, properties are assessed their market value as of March 1, 1975, the base year lien date. This value may be increased only 2.0 percent per year until the property is sold, substantial new construction occurs, or the property's use changes significantly. In such cases the property may be reassessed to its market value.

The subject's Assessor Parcel Numbers are 086-41-017 and 018. The 2008/09 fiscal year is the most recent year for which assessed valuation and property tax information is available. The current tax rate payable on the property is 1.09350 per \$100 of assessed valuation. Following is the current assessed values and property tax liability for the entire parcel:

### Current Property Taxes

#### PROPERTY TAX DATA (2008/09)

	Total 2008/09 Assessment
Assessor's Market Value	
Land	\$1,635,497
Improvements	7,662,969
Assessor's Market Value:	<u>\$9,298,466</u>
Equalization/Assessment Ratio	100%
Assessed Value	<u>\$9,298,466</u>
Total Property Taxes	\$97,059

The above tax bill includes various direct levies, all of which are ongoing and charged all properties in the area. The largest levy is for sewer usage fees. The total special assessments are \$3,743.70.

When the property transfers ownership, it would be reassessed to its then current market value. Market value is typically determined by the sale price. Due to the method of determining assessed values and tax rates in California, tax comparables are not relevant and not included herein.

examination by an attorney or title company can usually uncover such restrictive covenants. Thus, we recommend a title search to determine if any such restrictions do exist.

**Highest and Best Use of Property As Improved**

According to the Dictionary of Real Estate Appraisal, highest and best use of the property as improved is defined as:

The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

We have a considered the existing improvements at the site. Based on sales of vacant and partially vacant buildings in our files we have concluded to a value for the site with the existing improvements at \$175.00 per square foot of building area. This would provide a value estimate of a rounded \$12,800,000.

Later in this report we have concluded to a value for the land at \$14,500,000. Given that the value of the land is greater than the value with the existing improvements, we have concluded that the highest and best use of the site as improved is to demolish the existing improvements and develop a multi-family project.

## VALUATION PROCESS

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opinion of value. The capitalization rate represents the relationship between net operating income and value.

Related to the Direct Capitalization Method is the Discounted Cash Flow Method. In this method, periodic cash flows (which consist of net operating income less capital costs) and a reversionary value are developed and discounted to a present value using an internal rate of return that is determined by analyzing current investor yield requirements for similar investments.

The reliability of the Income Capitalization Approach depends upon whether investors actively purchase the subject property type for income potential, as well as the quality and quantity of available income and expense data from comparable investments.

### Summary

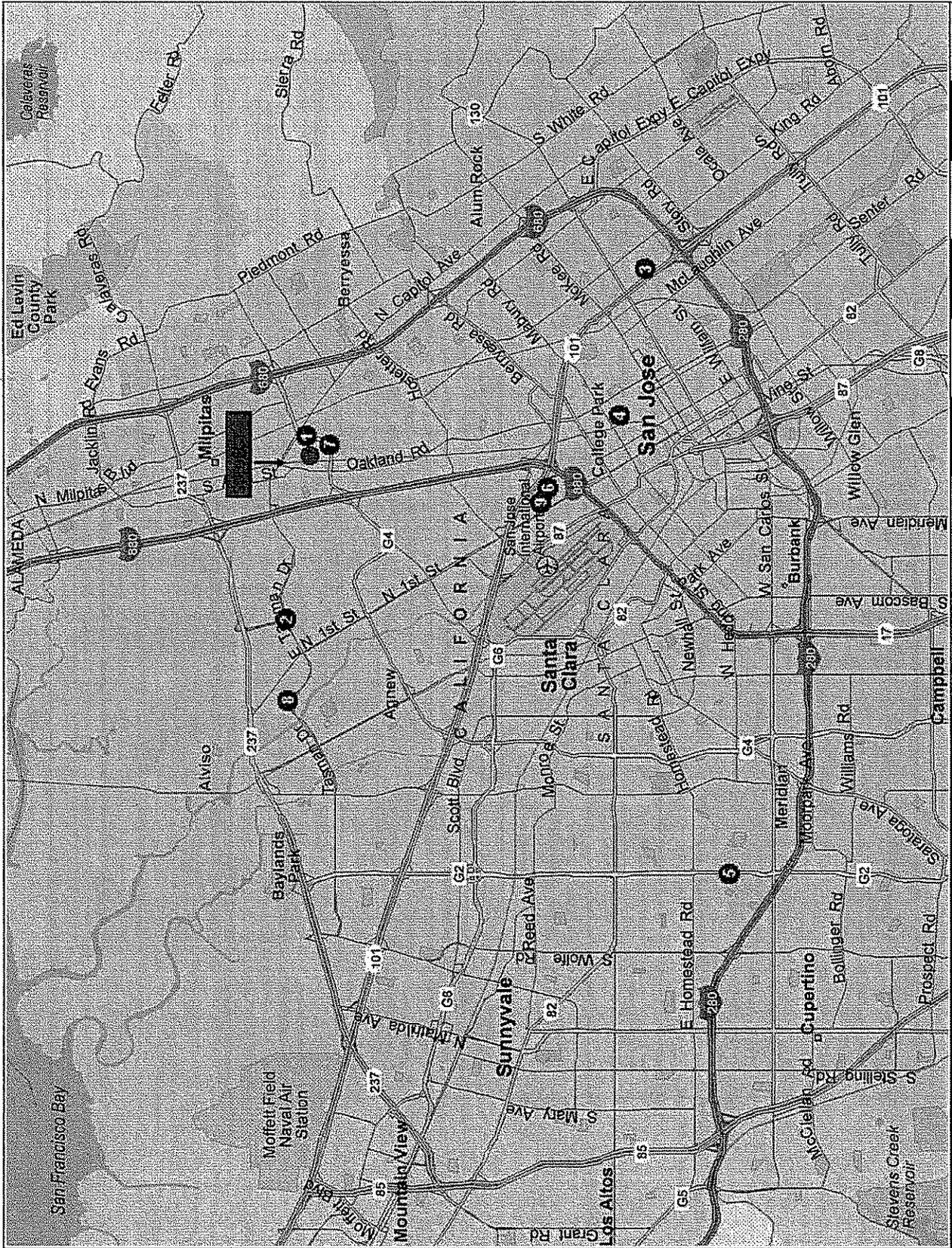
This appraisal employs only the Sales Comparison Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that only this approach would be considered necessary and applicable for market participants.

As the subject's highest and best use is for redevelopment with residential uses, we will compare the subject site to residentially zoned land sales and listings in the market area.

Therefore, we have not employed the Cost Approach or the Income Capitalization Approach to develop an opinion of market value.

The valuation process is concluded by analyzing each approach to value used in the appraisal. When more than one approach is used, each approach is judged based on its applicability, reliability, and the quantity and quality of its data. A final value opinion is chosen that either corresponds to one of the approaches to value, or is a correlation of all the approaches used in the appraisal.

# COMPARABLE APARTMENT LAND SALES MAP



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 © Copyright 2000 by Geographic Data Technology, Inc. All rights reserved. © 2000 Navigation Technologies. All rights reserved. This data includes information taken with permission from Canadian authorities © Her Majesty the Queen In Right of Canada. ©  
 Copyright 2000 by CompuSearch Micromarketing Data and Systems Ltd.

**LAND VALUATION**

LAND SALE ADJUSTMENT GRID (High Density 40 units/acre)													
No.	\$/SqFt Sale Date	Economic Adjustments (Cumulative)					Subtotal	Property Characteristic Adjustments (Additive)					Adjusted \$/SF (Buildable)
		Property Rights Conveyed	Financing & Conditions of Sale	Exp. After Purchase	Market Conditions			Location	Size	Public Utilities/off-sites	Utility**	Density	
1	\$74 7/08	Fee Simple/Mkt. 0.0%	Arms-Length 0.0%	None 0.0%	Similar 0.0%	\$74 0.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	Superior -12.0%	Similar 0.0%	Similar 0.0%	\$65 -12.0%
2	\$82 2/08	Fee Simple/Mkt. 0.0%	Arms-Length 0.0%	None 0.0%	Similar 0.0%	\$82 0.0%	Similar 0.0%	Larger 5.0%	Similar 0.0%	Superior -18.0%	Similar 0.0%	Similar 0.0%	\$72 -13.0%
3	\$45 3/07	Fee Simple/Mkt. 0.0%	Arms-Length 0.0%	None 0.0%	Similar 0.0%	\$45 0.0%	Inferior 15.0%	Smaller -5.0%	Similar 0.0%	Similar 0.0%	Similar 0.0%	Inferior 10.0%	\$54 20.0%
4	\$50 1/06	Fee Simple/Mkt. 0.0%	Arms-Length 0.0%	None 0.0%	Similar 0.0%	\$50 0.0%	Superior -20.0%	Smaller -5.0%	Inferior 20.0%	Inferior 15.0%	Similar 0.0%	Inferior 10.0%	\$60 20.0%
5	\$146 8/06	Fee Simple/Mkt. 0.0%	Arms-Length 0.0%	None 0.0%	Similar 0.0%	\$146 0.0%	Inferior 10.0%	Smaller -5.0%	Similar 0.0%	Inferior 15.0%	Similar 0.0%	Similar 0.0%	\$176 20.0%
6	\$64 1/06	Fee Simple/Mkt. 0.0%	Arms-Length 0.0%	None 0.0%	Similar 0.0%	\$64 0.0%	Similar 0.0%	Smaller -5.0%	Inferior 15.0%	Superior -15.0%	Similar 0.0%	Inferior 10.0%	\$67 5.0%
7	\$45 2/06	Fee Simple/Mkt. 0.0%	Arms-Length 0.0%	None 0.0%	Similar 0.0%	\$45 0.0%	Inferior 15.0%	Similar 0.0%	Inferior 20.0%	Superior -3.0%	Similar 0.0%	Inferior 10.0%	\$64 42.0%
8	\$78 7/07	Fee Simple/Mkt. 0.0%	Arms-Length 0.0%	None 0.0%	Similar 0.0%	\$78 0.0%	Similar 0.0%	Larger 10.0%	Inferior 20.0%	Superior -6.0%	Similar 0.0%	Inferior 10.0%	\$105 34.0%
9	\$80 9/06	Fee Simple/Mkt. 0.0%	Arms-Length 0.0%	None 0.0%	Similar 0.0%	\$80 0.0%	Similar 0.0%	Larger 5.0%	Inferior 15.0%	Superior -15.0%	Similar 0.0%	Inferior 10.0%	\$91 15.0%

SUMMARY	Unadjusted		Adjusted
	Price Range	\$/SF	\$/SF
Low	\$45		\$54
High	\$146		\$176
Average	\$74		\$84
Net Adjustment Range (Additive Property Characteristics)			
Low		-13.0%	
High		42.0%	
Average		13.1%	

**\*Market Conditions Adjustment**  
Compound annual change in market conditions:  
Date of Value (for adjustment calculations):

**\*\*Utility includes shape, access, frontage and visibility.**



Other

In some cases, other variables will impact the price of a transaction. Some examples would include restrictive zoning, easements, wetlands or external influences. In our analysis of the comparables we found that the market does adjust for the entitlement status of sites. The market will pay a premium for sites that have zoning approvals in place to construct the proposed improvements. The subject site has been rezoned to permit up to 40 units per acre. Only a few of the comparables had similar entitlements at the time they were placed under contract. The comparables were adjusted accordingly.

**Discussion of Comparable Sales**

Comparable Sale No. 1

Comparable L-1 is the current listing of a residential site located along Montague Expressway in Milpitas. The parcel contains 3.64 acres (158,558 square feet) and can support a 218-unit high density development with 60 units per acre. The property is listed for \$53,670 per unit. The property's location in Milpitas is considered similar.

The proposed development would be at a density of 60 dwelling units per acre, which is higher than the subject's density at 49 units per acre. As noted above, the market pays a premium on a per square foot basis for sites that support higher densities. Therefore, a negative adjustment for zoning was made to the subject's lower density.

After adjustments, this comparable indicated an adjusted value of \$65 per square foot for the subject site.

Comparable Sale No. 2

The second comparable L-1 reflects the February, 2008 sale of a residential site located at 199 East Tasman Drive in the North San Jose area of San Jose. The parcel contains 10.01 acres (436,036 square feet) and was purchased for construction of a 706-unit apartment development.

The property sold for \$82.22 per square foot. The location in North San Jose is very comparable to the subject's as it is surrounded by office and research and development properties.

The size of the parcel is of somewhat similar size and thus no adjustment was made.

After adjustments, this comparable indicated an adjusted value of \$72 per square foot.

Comparable Sale No. 3

The next comparable is the March, 2007 sale of a residential site located at 305 San Antonio Court in east San Jose. The parcel contains 2.19 acres (95,396 square feet) and was purchased for construction of an 86 unit affordable apartment project. The property sold for \$44.68 per square foot.

The site is located in a transitioning industrial district which is deemed to be inferior to the subject's location. Also, during the escrow period the buyer obtained zoning approvals for residential development.

Again, the comparable's buyer obtained zoning approvals for residential development during the escrow period, thus the sale price reflects an un-entitled condition. Due to this, a positive adjustment for other factors was made.

After adjustments, this comparable indicated an adjusted value of \$54 per square foot.

Comparable Sale No. 7

Comparable L-7 reflects the August, 2006 sale of a residential site located at 75 Montague Expressway in Milpitas. The parcel contains 3.27 acres (142,441 square feet) and was purchased for construction of 147 homes showing a density of 45 units per acre.

At the time of sale, the seller had not obtained the zoning approvals or a recorded the tentative subdivision map. The General Plan for Milpitas did permit residential at this site, however.

The site wraps around a Shell gas station that occupies the corner of Montague Expressway and South Main Street, consequently we believe that an upward adjustment is needed for the proximity to the service station.

The property sold for \$44,537 per unit. We believe that large upward adjustments are required for this sale.

After adjustments, this comparable indicated an adjusted value of \$64 per square foot for the subject property's residential portion.

Comparable Sale No. 8

The next comparable is in escrow as of July 2007. The site is located in North San Jose and is jointly owned by Sobrato Development and Novellus. The site is developed with older industrial buildings that will require demolition. The parcel is within The city of San Jose's "Vision San Jose Plan" for North San Jose that envisions residential development along North First Street. However, it was zoned industrial and it had no entitlements when sold.

The site is comprised of several parcels and is located west of North First Street in North San Jose. The parcel contains 19.96 acres (869,458 square feet) and was purchased for construction of 969 homes with an overall density of 48 units per acre.

While in escrow, the buyer will have to obtain all zoning approvals and entitlements, record the tentative subdivision map, and pay for demolition. The property sold for \$70,128 per unit overall.

The property's location in North San Jose is considered comparable by the market as evidenced by similar housing prices. Since zoning and entitlements are required, we determined that an upward adjustment is indicated.

After adjustments, this comparable indicated an adjusted value of \$105 per square foot for the residential portion.

Comparable Sale No. 9

The final comparable is the September, 2006 sale of a residential site located along Archer Street between North 4<sup>th</sup> and North 1st Streets in North San Jose.

The parcel contains .66 acres (28,750 square feet) and was purchased for construction of 42 units. At the time of sale, no zoning had been obtained.

The property sold for \$54,450 per unit. The property's location in North San Jose is considered similar by the market.

The site requires a zoning change and all entitlements. For this reason, we determined that a positive adjustment was indicated.

After adjustments, this comparable indicated an adjusted value of \$91 per square foot for the subject's residential land.

## ASSUMPTIONS AND LIMITING CONDITIONS

"Report" means the appraisal or consulting report and conclusions stated therein, to which these Assumptions and Limiting Conditions are annexed.

"Property" means the subject of the Report.

"C&W" means Cushman & Wakefield, Inc. or its subsidiary that issued the Report.

"Appraiser(s)" means the employee(s) of C&W who prepared and signed the Report.

The Report has been made subject to the following assumptions and limiting conditions:

1. No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters that are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate appraiser. Title to the Property is assumed to be good and marketable and the Property is assumed to be free and clear of all liens unless otherwise stated. No survey of the Property was undertaken.
2. The information contained in the Report or upon which the Report is based has been gathered from sources the Appraiser assumes to be reliable and accurate. The owner of the Property may have provided some of such information. Neither the Appraiser nor C&W shall be responsible for the accuracy or completeness of such information, including the correctness of estimates, opinions, dimensions, sketches, exhibits and factual matters. Any authorized user of the Report is obligated to bring to the attention of C&W any inaccuracies or errors that it believes are contained in the Report.
3. The opinions are only as of the date stated in the Report. Changes since that date in external and market factors or in the Property itself can significantly affect the conclusions in the Report.
4. The Report is to be used in whole and not in part. No part of the Report shall be used in conjunction with any other analyses. Publication of the Report or any portion thereof without the prior written consent of C&W is prohibited. Reference to the Appraisal Institute or to the MAI designation is prohibited. Except as may be otherwise stated in the letter of engagement, the Report may not be used by any person(s) other than the party(ies) to whom it is addressed or for purposes other than that for which it was prepared. No part of the Report shall be conveyed to the public through advertising, or used in any sales, promotion, offering or SEC material without C&W's prior written consent. Any authorized user(s) of this Report who provides a copy to, or permits reliance thereon by, any person or entity not authorized by C&W in writing to use or rely thereon, hereby agrees to indemnify and hold C&W, its affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the Report by any such unauthorized person(s) or entity(ies).
5. Except as may be otherwise stated in the letter of engagement, the Appraiser shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Appraisal.
6. The Report assumes (a) responsible ownership and competent management of the Property; (b) there are no hidden or unapparent conditions of the Property, subsoil or structures that render the Property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and

## ASSUMPTIONS AND LIMITING CONDITIONS

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actually collected by C&W or its affiliates for this Report and under no circumstances shall any claim for consequential damages be made.

14. If the Report is referred to or included in any offering material or prospectus, the Report shall be deemed referred to or included for informational purposes only and C&W, its employees and the Appraiser have no liability to such recipients. C&W disclaims any and all liability to any party other than the party that retained C&W to prepare the Report.
15. Any estimate of insurable value, if included within the agreed upon scope of work and presented within this report, is based upon figures derived from a national cost estimating service and is developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage for replacing any structure. This analysis should not be relied upon to determine insurance coverage. Furthermore, we make no warranties regarding the accuracy of this estimate.
16. By use of this Report each party that uses this Report agrees to be bound by all of the Assumptions and Limiting Conditions, Hypothetical Conditions and Extraordinary Assumptions stated herein.

### Extraordinary Assumptions

An extraordinary assumption is defined by the *USPAP* (2008 Edition, The Appraisal Foundation) as "an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis."

This appraisal employs no extraordinary assumptions.

### Hypothetical Conditions

A hypothetical condition is defined by the *USPAP* (2008 Edition, The Appraisal Foundation) as "that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis."

This appraisal employs the hypothetical condition that the building is not encumbered under the existing lease to Consentry Networks. We are appraising the Fee Simple interest.

**Addenda Contents**

ADDENDUM A:	Engagement Letter
ADDENDUM B:	Demographics
ADDENDUM C:	Preliminary title Report
ADDENDUM D:	Qualifications of the Appraiser

Kenneth E. Matlin, MAI  
Senior Director



Cushman & Wakefield of California, Inc.  
560 S Winchester Boulevard, Suite 200  
San Jose, CA 95128  
408.572.4140 Tel  
408.434.1554 Fax  
ken.matlin@cushwake.com

July 11, 2008

Mr. James Lindsay  
Planning and Neighborhood Services Director  
CITY OF MILPITAS  
455 East Calaveras Boulevard  
Milpitas, California 95035

Re: **McCandless Parcel**  
**1690 McCandless Drive**  
**Milpitas, California 95035**

Dear Mr. Lindsay:

Thank you for requesting our proposal for appraisal services. This proposal letter will become, upon your acceptance, our letter of engagement to provide the services outlined herein.

#### TERMS OF ENGAGEMENT

##### I. PROBLEM IDENTIFICATION

<b>The Parties To This Agreement:</b>	The undersigned Cushman & Wakefield affiliated company and CITY OF MILPITAS (herein at times referred to as "Client")
<b>Intended Users:</b>	The appraisal will be prepared for City of Milpitas and Berg and Berg Developers, LP and is intended only for the use specified below. The Client agrees that there are no other Intended Users.
<b>Intended Users:</b>	The Client and Berg and Berg Developers, LP are the Intended Users of the appraisal. The appraisal may not be distributed to or relied upon by other persons or entities.
<b>Intended Use:</b>	Determining a fair value for acquisition by the City of Milpitas from Berg and Berg Developers, LP.
<b>Type of Opinion and Rights Appraised:</b>	Market value of the Fee Simple Interest.
<b>Date Of Value:</b>	Date of Inspection
<b>Subject of the Assignment and Relevant Characteristics:</b>	The property to be appraised is the McCandless Parcel, a 4.81 acre parcel developed with a 73,000 square foot research and development building. The property is located at 1690 McCandless Drive in Milpitas, California.
<b>Assignment Conditions:</b>	The assignment will not incorporate any extraordinary assumptions or hypothetical conditions. Supplemental standards and/or Jurisdictional Exceptions do not apply.

Mr. James Lindsay  
City of Milpitas  
July 11, 2008  
Page 3

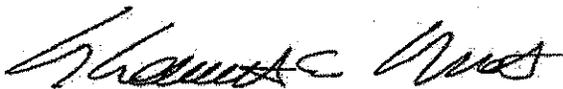
**Report Delivery:** Within thirty (30) days of receipt of your written authorization to proceed, assuming prompt receipt of necessary property information.

**Changes to Agreement:** The identity of the Client, intended users, or intended use; the date of value; type of value or interest appraised; or property appraised cannot be changed without a new agreement.

**Further Conditions of Engagement:** The Conditions of Engagement attached hereto are incorporated herein and are part of this letter of engagement.

Thank you for calling on us to render these services and we look forward to working with you.

Sincerely,  
CUSHMAN & WAKEFIELD OF CALIFORNIA , INC.



---

Kenneth E. Matlin, MAI  
Senior Director

cc:

**AGREED:**  
**CLIENT: CITY OF MILPITAS**

By: \_\_\_\_\_ Date: \_\_\_\_\_

Mr. James Lindsay

Title: \_\_\_\_\_  
Planning and Neighborhood Services Director

E-mail Address/Phone & Fax Nos.: \_\_\_\_\_

## CONDITIONS OF ENGAGEMENT

- 1) The Client and any Intended Users identified herein should consider the appraisal as only one factor together with its independent investment considerations and underwriting criteria in its overall investment decision. The appraisal cannot be used by any party or for any purpose other than as specified in this engagement letter.
- 2) Federal banking regulations require banks and savings and loan associations to employ appraisers where a FIRREA compliant appraisal must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions, including mortgage bankers/brokers. Because of that requirement, this appraisal, if ordered independent of a financial institution or agent, may not be accepted by a federally regulated financial institution. This appraisal will be prepared in accordance with the Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation, the Standards of Professional Practice and the Code of Ethics of the Appraisal Institute.
- 3) The appraisal report will be subject to our standard Assumptions and Limiting Conditions, which will be incorporated into the appraisal. All users of the appraisal report are specifically cautioned to understand any Extraordinary Assumptions and Hypothetical Conditions which may be employed by the appraiser and incorporated into the appraisal.
- 4) The appraisal report or our name may not be used in any offering memoranda or other investment material without the prior written consent of C&W, which may be given at the sole discretion of C&W. Any such consent, if given, shall be conditioned upon our receipt of an indemnification agreement from a party satisfactory to us and in a form satisfactory to us. Furthermore, Client agrees to pay the fees of C&W's legal counsel for the review of the material which is the subject of the requested consent. If the appraisal is referred to or included in any offering material or prospectus, the appraisal shall be deemed referred to or included for informational purposes only and C&W, its employees and the appraiser have no liability to such recipients. C&W disclaims any and all liability to any party other than the party which retained C&W to prepare the appraisal.
- 5) In the event the Client provides a copy of this appraisal to, or permits reliance thereon by, any person or entity not an identified Intended User at the time of the assignment and authorized by C&W in writing to use or rely thereon, Client hereby agrees to indemnify and hold C&W, its affiliates and the respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorney's fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the appraisal by any such unauthorized person or entity.
- 6) The balance of the fee for the appraisal will be due upon delivery of the report. Payment of the fee is not contingent on the appraised value, outcome of the consultation report, a loan closing, or any other prearranged condition. Additional fees will be charged on an hourly basis for any work, which exceeds the scope of this proposal, including performing additional valuation scenarios, additional research and conference calls or meetings with any party, which exceed the time allotted by C&W for an assignment of this nature. If we are requested to stop working on this assignment, for any reason, prior to our completion of the appraisal, C&W will be entitled to bill the Client for the time expended to date at C&W's hourly rates for the personnel involved.
- 7) If C&W or any of its affiliates or any of their respective employees receives a subpoena or other judicial command to produce documents or to provide testimony involving this assignment in connection with a lawsuit or proceeding, C&W will use reasonable efforts to notify the Client of our receipt of same. However, if C&W or any of its affiliates are not a party to these proceedings, Client agrees to compensate C&W or its affiliate for the professional time and reimburse C&W or its affiliate for the actual expense that it incurs in responding to any such subpoena or judicial command, including attorneys' fees, if any, as they are incurred. C&W or its affiliate will be compensated at the then prevailing hourly rates of the personnel responding to the subpoena or command for testimony.
- 8) By signing this agreement Client expressly agrees that its sole and exclusive remedy for any and all losses or damages relating to this agreement or the appraisal shall be limited to the amount of the appraisal fee paid by the Client. In the event that the Client, or any other party entitled to do so, makes a claim against C&W or any of its affiliates or any of their respective officers or employees in connection with or in any way relating to this engagement or the appraisal, the maximum damages recoverable from C&W or any of its affiliates or their respective officers or employees shall be the amount of the monies actually collected by C&W or any of its affiliates for this assignment and under no circumstances shall any claim for consequential damages be made.
- 9) It is acknowledged that any opinions and conclusions expressed by the professionals of C&W or its affiliates during this assignment are representations made as employees and not as individuals. C&W's or its affiliate's responsibility is limited to the Client, and use of our product by third parties shall be solely at the risk of the Client and/or third parties.
- 10) The fees and expenses shall be due C&W as agreed in this letter. If it becomes necessary to place collection of the fees and expenses due C&W in the hands of a collection agent and/or an attorney (whether or not a legal action is filed) Client agrees to pay all fees and expenses including attorney's fees incurred by C&W in connection with the collection or attempted collection thereof.

**Amended**



**First American Title**  
**1737 North First Street, Suite 500**  
**San Jose, CA 95112**

Carl E. Berg  
Mission West Properties  
10050 Bandle Drive  
Cupertino, CA 95014-2102  
Phone: (408)725-0700

Escrow Officer: Liz Zankich  
Phone: (408)451-7800

Buyer: Integral Communities McCandless, LLC

Owner: Mission West Properties, L.P. II

Property: 1660 MC CANDLESS DRIVE, MILPITAS, CA 95035

**PRELIMINARY REPORT**

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit A attached. *The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.* Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

**Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.**

**It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.**

Dated as of June 20, 2008 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

ALTA Standard Owner's Policy 2006 with Western Regional Exceptions (6-17-06)

ALTA Standard Loan Policy 2006 with Western Regional Exceptions ( 6-17-06)

A specific request should be made if another form or additional coverage is desired.

Title to said estate or interest at the date hereof is vested in:

MISSION WEST PROPERTIES II, L. P., A DELAWARE LIMITED PARTNERSHIP

The estate or interest in the land hereinafter described or referred to covered by this Report is:

A FEE.

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2008-2009, a lien not yet due or payable.
2. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
3. The land lies within the boundaries of proposed community facilities District No. 2005-1, as disclosed by a map filed in BOOK 41, PAGE 3 of maps of assessment and community facilities districts.
4. An easement for UNDERGROUND DRAINAGE SYSTEM and incidental purposes, recorded OCTOBER 25, 1898 in Book 214 of Deeds, Page 259.  
In Favor of: A.K. WHITTON  
Affects: THE EXACT LOCATION CANNOT BE ASCERTAINED OF RECORD

AN INDEMNITY AGREEMENT PERTAINING TO THE ABOVE SYSTEM, SUBJECT TO THE TERMS AND CONDITIONS THEREIN PROVIDED, RECORDED JUNE 21, 1929 IN BOOK 467, PAGE 465 OF OFFICIAL RECORDS.

11. Covenants, conditions, restrictions and easements in the document recorded DECEMBER 11, 1985 in BOOK J545, PAGE 719 of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Section 12955 of the California Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

THE RIGHT TO LEVY CERTAIN CHARGES OR ASSESSMENTS AGAINST SAID LAND WHICH SHALL BECOME A LIEN IF NOT PAID, AS THEREIN SET FORTH CONFERRED UPON MC CANDLESS TECHNOLOGY PARK OWNERS ASSOCIATION.

AN ASSIGNMENT OF THE RIGHTS OF DECLARANT, SUBJECT TO THE TERMS AND CONDITIONS THEREIN PROVIDED, RECORDED NOVEMBER 20, 1991 AS INSTRUMENT NO. 11138903 AND APRIL 28, 1995 AS INSTRUMENT NO. 12874705 OFFICIAL RECORDS.

12. An easement to CONSTRUCT, MAINTAIN, OPERATE, REPAIR, ALTER, REPLACE, RELOCATE AND REMOVE SIDEWALK AND FIRE SERVICE UTILITIES, INGRESS AND EGRESS and incidental purposes, recorded JUNE 24, 1996 as INSTRUMENT NO. 13343251 of Official Records.  
In Favor of: CITY OF MILPITAS  
Affects: THE WESTERLY PORTIONS AND A SOUTHERLY PORTION

13. A Deed of Trust to secure an original indebtedness of \$58,680,024.00 recorded JANUARY 9, 2003 as INSTRUMENT NO. 16735203 of Official Records.  
Dated: JANUARY 3, 2003  
Trustor: MISSION WEST PROPERTIES, L.P. II, A DELAWARE LIMITED PARTNERSHIP  
Trustee: THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, A WISCONSIN CORPORATION  
Beneficiary: THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, A WISCONSIN CORPORATION

Affects: The land and other property.

A document entitled "ABSOLUTE ASSIGNMENT OF LEASES AND RENTS (FIRST PRIORITY) MISSION WEST PROPERTIES, L.P. II" recorded JANUARY 9, 2003 as INSTRUMENT NO. 16735206 of Official Records, as additional security for the payment of the indebtedness secured by the deed of trust.

### INFORMATIONAL NOTES

1. General and special taxes and assessments for the fiscal year 2007-2008.

First Installment:	\$48,529.43, PAID
Penalty:	\$0.00
Second Installment:	\$48,529.43, PAID
Penalty:	\$0.00
Tax Rate Area:	12-056
A. P. No.:	086-41-017

2. General and special taxes and assessments for the fiscal year 2007-2008.

First Installment:	\$1,194.45, PAID
Penalty:	\$0.00
Second Installment:	\$1,194.45, PAID
Penalty:	\$0.00
Tax Rate Area:	12-056
A. P. No.:	086-41-018

3. This report is preparatory to the issuance of an ALTA Loan Policy. We have no knowledge of any fact which would preclude the issuance of the policy with CLTA endorsement forms 100 and 116 and if applicable, 115 and 116.2 attached.

When issued, the CLTA endorsement form 116 or 116.2, if applicable will reference a(n) COMMERCIAL STRUCTURE known as 1660 MC CANDLESS DRIVE, MILPITAS, CALIFORNIA 95035.

4. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

None

5. Should this report be used to facilitate your transaction, we must be provided with the following prior to the issuance of the policy:

A. WITH RESPECT TO A CORPORATION:

- a. A certificate of good standing of recent date issued by the Secretary of State of the corporation's state of domicile.
- b. A certificate copy of a resolution of the Board of Directors authorizing the contemplated transaction and designating which corporate officers shall have the power to execute on behalf of the corporation.

registration (LLC-5) to be recorded in the public records;

- d. With respect to any deed, deed of trust, lease, subordination agreement or other document or instrument executed by such limited liability company and presented for recordation by the Company or upon which the Company is asked to rely, such document or instrument must be executed in accordance with one of the following, as appropriate:
  - (i) If the limited liability company properly operates through officers appointed or elected pursuant to the terms of a written operating agreement, such documents must be executed by at least two duly elected or appointed officers, as follows: the chairman of the board, the president or any vice president, and any secretary, assistant secretary, the chief financial officer or any assistant treasurer;
  - (ii) If the limited liability company properly operates through a manager or managers identified in the articles of organization and/or duly elected pursuant to the terms of a written operating agreement, such document must be executed by at least two such managers or by one manager if the limited liability company properly operates with the existence of only one manager.
- e. Requirements which the Company may impose following its review of the above material and other information which the Company may require.

F. WITH RESPECT TO A TRUST:

- a. A certification pursuant to Section 18500.5 of the California Probate Code in a form satisfactory to the Company.
- b. Copies of those excerpts from the original trust documents and amendments thereto which designate the trustee and confer upon the trustee the power to act in the pending transaction.
- c. Other requirements which the Company may impose following its review of the material require herein and other information which the Company may require.

G. WITH RESPECT TO INDIVIDUALS:

- a. A statement of information.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American Title Insurance Company expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

**NOTICE I**

Section 12413.1 of the California Insurance Code, effective January 1, 1990, requires that any title insurance company, underwritten title company, or controlled escrow company handling funds in an escrow or sub-escrow capacity, wait a specified number of days after depositing funds, before recording any documents in connection with the transaction or disbursing funds. This statute allows for funds deposited by wire transfer to be disbursed the same day as deposit. In the case of cashier's checks or certified checks, funds may be disbursed the next day after deposit. In order to avoid unnecessary delays of three to seven days, or more, please use wire transfer, cashier's checks, or certified checks whenever possible.

If you have any questions about the effect of this new law, please contact your local First American Office for more details.

**NOTICE II**

As of January 1, 1991, if the transaction which is the subject of this report will be a sale, you as a party to the transaction, may have certain tax reporting and withholding obligations pursuant to the state law referred to below:

In accordance with Sections 18662 and 18668 of the Revenue and Taxation Code, a buyer may be required to withhold an amount equal to three and one-third percent of the sales price in the case of the disposition of California real property interest by either:

1. A seller who is an individual with a last known street address outside of California or when the disbursement instructions authorize the proceeds be sent to a financial intermediary of the seller, OR
2. A corporate seller which has no permanent place of business in California.

The buyer may become subject to penalty for failure to withhold an amount equal to the greater of 10 percent of the amount required to be withheld or five hundred dollars (\$500).

However, notwithstanding any other provision included in the California statutes referenced above, no buyer will be required to withhold any amount or be subject to penalty for failure to withhold if:

1. The sales price of the California real property conveyed does not exceed one hundred thousand dollars (\$100,000), OR
2. The seller executes a written certificate, under the penalty of perjury, certifying that the seller is a resident of California, or if a corporation, has a permanent place of business in California, OR
3. The seller, who is an individual, executes a written certificate, under the penalty of perjury, that the California real property being conveyed is the seller's principal residence (as defined in Section 1034 of the Internal Revenue Code).

The seller is subject to penalty for knowingly filing a fraudulent certificate for the purpose of avoiding the withholding requirement.

The California statutes referenced above include provisions which authorize the Franchise Tax Board to grant reduced withholding and waivers from withholding on a case-by-case basis.

The parties to this transaction should seek an attorney's, accountant's, or other tax specialist's opinion concerning the effect of this law on this transaction and should not act on any statements made or omitted by the escrow or closing officer.

The Seller May Request a Waiver by Contacting:  
Franchise Tax Board  
Withhold at Source Unit  
P.O. Box 651  
Sacramento, CA 95812-0651  
(916) 845-4900

**EXHIBIT A**  
**LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)**

**1. CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990**  
**SCHEDULE B**

**EXCEPTIONS FROM COVERAGE**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notice of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.

**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.  
 (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
  - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
  - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy; or
  - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable "doing business" laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by their policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

**2. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970**  
**SCHEDULE OF EXCLUSIONS FROM COVERAGE**

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions of area of the land, or the effect of any violation of any such law, ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder; (c) resulting in no loss or damage to the insured claimant; (d) attaching or

**6. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992  
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE  
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy; (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
  - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
  - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or the extent insurance is afforded herein as to assessments for street improvements under construction or completed at date of policy); or
  - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable "doing business" laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
  - (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
  - (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
  - (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
    - (a) to timely record the instrument of transfer; or
    - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

**7. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992  
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 6 above are used and the following exceptions to coverage appear in the policy.

**SCHEDULE B**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

**8. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992**

- \* a notice of exercising the right appears in the public records on the Policy Date
  - \* the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking.
3. Title Risks:
- \* that are created, allowed, or agreed to by you
  - \* that are known to you, but not to us, on the Policy Date - unless they appeared in the public records
  - \* that result in no loss to you
  - \* that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title.
5. Lack of a right:
- \* to any land outside the area specifically described and referred to in Item 3 of Schedule A, or
  - \* in streets, alleys, or waterways that touch your land
- This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

### 11. EAGLE PROTECTION OWNER'S POLICY

#### CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 1998

#### ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 1998

Covered Risks 14 (Subdivision Law Violation), 15 (Building Permit), 16 (Zoning) and 18 (Encroachment of boundary walls or fences) are subject to Deductible Amounts and Maximum Dollar Limits of Liability

#### EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:
 

a. building	b. zoning
c. land use	d. improvements on the land
e. land division	f. environmental protection

This exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.  
This exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
  - a. a notice of exercising the right appears in the Public Records at the Policy Date; or
  - b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
4. Risks:
  - a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
  - b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
  - c. that result in no loss to You; or
  - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.d, 22, 23, 24 or 25.
5. Failure to pay value for Your Title.
6. Lack of a right:
  - a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
  - b. in streets, alleys, or waterways that touch the Land.

This exclusion does not limit the coverage described in Covered Risk 11 or 18.

### 12. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992 WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE WITH EAGLE PROTECTION ADDED

#### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or area of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under insuring provisions 14, 15, 16 and 24 of this policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a

- b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the policy Date;
  - c. that result in no loss to You; or
  - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
- a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
  - b. in streets, alleys, or waterways that touch the Land.
- This Exclusion does not limit the coverage described in Covered Risk 11 or 21

#### LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows: Covered Risk 16, 18, 19 and 21, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A. The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16: 1% of Policy Amount or \$5,000.00 (whichever is less)	\$10,000.00
Covered Risk 18: 1% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 19: 1% of Policy Amount or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 21: 1% of Policy Amount or \$2,500.00 (whichever is less)	\$5,000.00

#### 12. THIRD GENERATION EAGLE LOAN POLICY AMERICAN LAND TITLE ASSOCIATION EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (1/01/08)

##### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions, or location of any improvement erected on the Land; (iii) the subdivision of land; or (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.  
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
  - (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.

#### 13. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 2006 EXCLUSIONS FROM COVERAGE

- (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risks 9 and 10);
- or
- (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
- (a) a fraudulent conveyance or fraudulent transfer; or
  - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

**16. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 2006  
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 15 above are used and the following exceptions to coverage appear in the policy.

**SCHEDULE B**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

## PROFESSIONAL QUALIFICATIONS

### **Kenneth E. Matlin, MAI**

*Senior Director, Valuation Services – Capital Markets Group*

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Kenneth E. Matlin serves as a Director of the Valuation Services – Capital Markets Group of Cushman & Wakefield's in San Jose, California. As Director, Mr. Matlin is responsible for completing appraisals for a variety of different clients from the private investor to local and international banks and pension fund advisors. The property types appraised include a wide array of properties from vacant land to commercial office buildings, industrial properties and residential housing. The intended uses of these assignments were for mortgage lending, corporate advisory, off-balance sheet financing, disposition, acquisition, assessment districts, tax appeal purposes, litigation, and rent arbitration. As part of his focus Mr. Matlin is also responsible for client relationships and managing the appraisal of portfolios of properties.

The Cushman & Wakefield Capital Markets Group comprises approximately 300 professionals nationwide who provide strategic advice and execution of sophisticated transactions, with particular emphasis on Analytics, Finance, Strategy and Valuation.

#### **Experience**

Prior to returning to appraising Mr. Matlin managed the Northern California Valuation Services Offices including San Jose, San Francisco, and Walnut Creek. Mr. Matlin served as manager from 1984 through 1999. His responsibilities included interfacing with clients, directing personnel, maintaining quality control and litigation support.

#### **Education**

Mr. Matlin received his Bachelor of Science Degree in Real Estate from the San Diego State University in 1973.

#### **Appraisal Education**

Mr. Matlin has successfully completed all courses and experience requirements to qualify for the MAI designation. Also, he has completed the requirements of the continuing education program of the Appraisal Institute.

#### **Memberships, Licenses and Professional Affiliations**

Member Appraisal Institute (MAI No. 8397)

Certified General Real Estate Appraiser, State of California (No. AG002022)

#### **Special Awards**

Mr. Matlin was the recipient of the Francis Corcoran Award as the Outstanding Cushman & Wakefield Valuation Services – Capital Markets Group Manager of the Year for 1993 due to his leadership and successful initiatives. He also received the Top Production Award for Northern California in 2002 and 2003 and the Service Excellence Award in 2000. He has been invited to the Cushman & Wakefield National Achievement Conference in the years 2000, 2001, 2002, and 2003.

#### **Litigation**

Mr. Matlin has qualified as an expert in the following courts:

Federal Bankruptcy Court-San Jose

Federal Bankruptcy Court-San Francisco

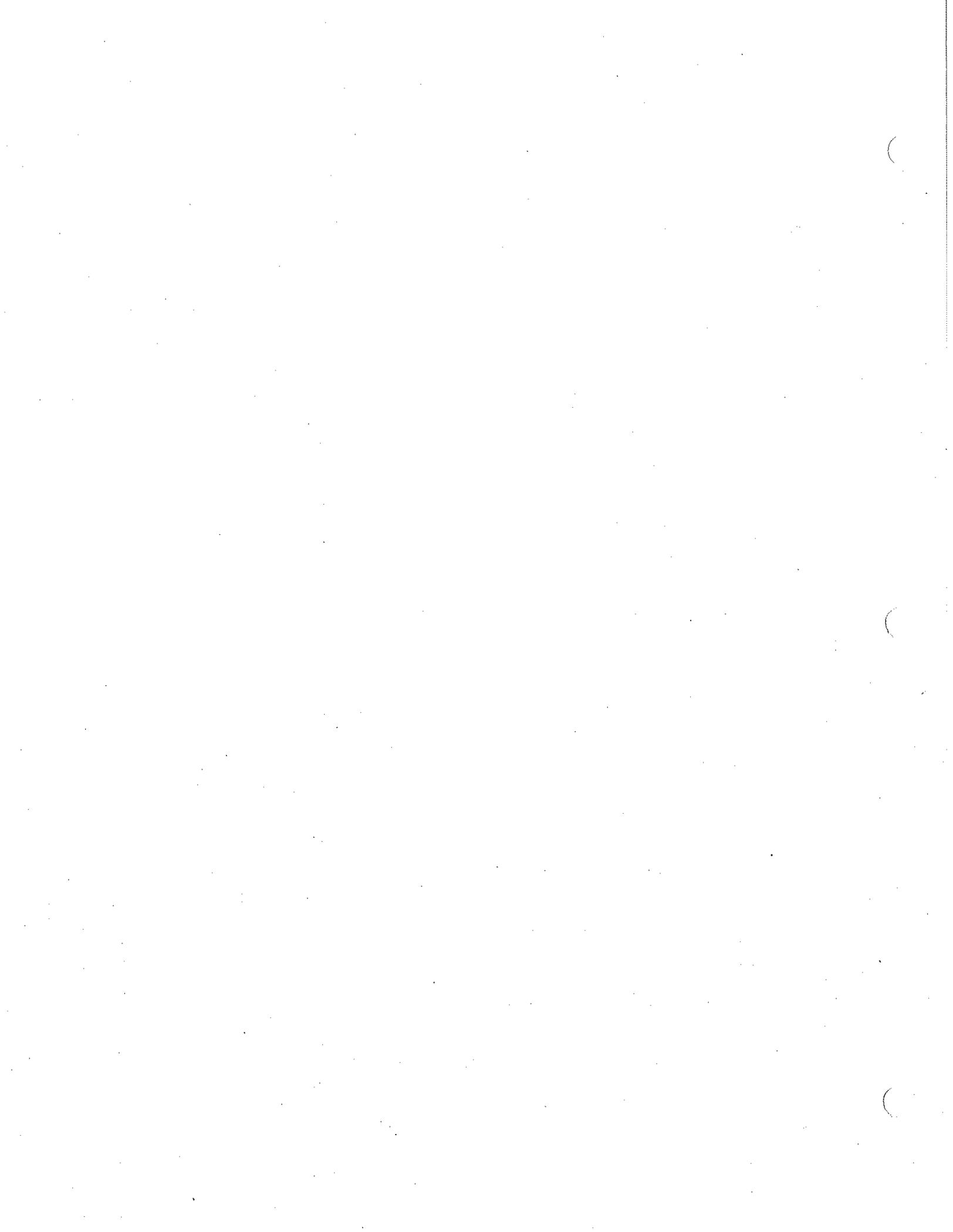
Federal Bankruptcy Court-Los Angeles

Federal Bankruptcy Court-Las Vegas

Federal Bankruptcy Court-Santa Rosa

Santa Clara Superior Court

San Mateo Superior Court



# MEMORANDUM

*Department of Information Services*

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**To:** Finance Subcommittee  
Council Member Giordano, Council Member Gomez

**From:** Bill Marion, Information Services Director

**Through:** Thomas Williams, City Manager  
Emma Karlen, Finance Director

**Subject:** Agreement to Manage MCTV26

**Date:** March 3, 2009

**BACKGROUND:** As part of the City's cable TV franchise agreement Comcast provided a public access channel and funding to construct and equip a studio. The studio and channel were operational in May of 2007 and have been operated by an informal group of volunteers. It was suggested by the Telecommunications Commission that a private nonprofit organization could be formed to operate the studio and provide public access television to the residents of Milpitas. A group of residents and volunteers incorporated Milpitas Community Television (MCTV) as a private nonprofit corporation in 2008. Staff has been working with MCTV on an agreement for the operation of the Milpitas Public Access Channel and studio.

Under this four year agreement, MCTV would staff the studio for a minimum of 20 hours per week as well as manage weekly programming. The City would provide the facilities and fund MCTV in the amounts shown below:

Year 1 \$40,000    Year 2 \$33,000    Year 3 \$33,000    Year 4 \$33,000

Funding for this agreement would come from the Public Educational and Government support payments included in the franchise agreement with Comcast. The following figures represent the balance of PEG payments to date and the anticipated payments as per the City's franchise agreement.

Current Balance (1/30/2009)	\$43,396
Contractually Obligated Future Payments	\$100,000
Projected Total	\$143,396
Payments to MCTV Under This Agreement    (4 years)	\$140,000

In addition to this funding, MCTV would be able to independently raise funds for public access support. Approval of this agreement would provide expanded access to a valuable community asset at no additional cost to the City. The agreement has been reviewed and approved as to form by the City Attorney's Office and approved by the Telecommunications Commission.

**RECOMMENDATION:** Direct staff to bring an agreement with Milpitas Community Television for the operation and management of the public access studio and channel to the City Council for consideration.