

SILICON VALLEY'S AIRPORT



09/16/2021

City of San Jose Construction Crane Fee Program Recommendation
Developer Working Group Meeting #4



Developer Monthly Crane Fee Rates

(75% Forecasted Costs to Airlines + 15% City Administrative Fee)

	Crane Fee Monthly Rates April – September “Summer Season”				Crane Fee Monthly Rates October – March “Winter Season”			
Options	Option 1	Option 2	Option 3	Option 4	Option 1	Option 2	Option 3	Option 4
# Projects	Full Schedule	Full schedule No Beijing	No International + London	No International	Full Schedule	Full schedule No Beijing	No International + London	No International
1 Projects*	\$158,125	\$111,694	\$98,849	\$88,406	\$244,375	\$137,856	\$74,867	\$59,944
2 Projects*	\$79,063	\$55,847	\$49,425	\$44,204	\$122,188	\$68,929	\$37,433	\$29,972
3 Projects*	\$52,709	\$37,232	\$32,958	\$29,469	\$81,458	\$45,953	\$24,956	\$19,982

*Each project that requires a building permit is considered a single project.

Note: Each column above is calculated separately and cannot be added to reach a total.

 Staff's recommendation highlighted in yellow

Crane Fee Program Updates



- **Reduced deposit required at building permit issuance:**
 - Program will start off requiring a 40% deposit (of total estimated fees) at time of building permit issuance
 - Director of Aviation will reevaluate the deposit percentage on an annual basis, up to 50%
- **Fee Cap (per project):**
 - Cap will start at 5 X published single project monthly crane fee rate and will only apply for the first 6 months operating cranes above the Downtown Building Height Limits
 - After 6 months, the cap is eliminated, and a project will pay at the published monthly rate, until crane operations are lowered below the Downtown Building Height Limits

Project Example #1

- Project located at Almaden Bl / W San Carlos
- Downtown Building Height Limits at this site: 390' MSL
- Project scheduled to operate construction cranes above Downtown Building Height Limits (390' MSL) for 6 months from October 2021 – March 2022, only project operating at this time

Deposit

LI#	Month	Single Project Monthly Rates	Season
1	October 2021	\$74,867	(Oct – Mar lower rate)
2	November 2021	\$74,867	(Oct – Mar lower rate)
3	December 2021	\$74,867	(Oct – Mar lower rate)
4	January 2022	\$74,867	(Oct – Mar lower rate)
5	February 2022	\$74,867	(Oct – Mar lower rate)
6	March 2022	\$74,867	(Oct – Mar lower rate)
Total		\$449,202	
\$449,202 x 40% = \$179,681 deposit due at building permit issuance			

Fee Cap

Fee Cap based on 5 X single project monthly rate			
LI#	Month	Single Project Monthly Rates	Season
1	October 2021	\$74,867	(Oct – Mar lower rate)
2	November 2021	\$74,867	(Oct – Mar lower rate)
3	December 2021	\$74,867	(Oct – Mar lower rate)
4	January 2022	\$74,867	(Oct – Mar lower rate)
5	February 2022	\$74,867	(Oct – Mar lower rate)
Fee Cap Total		\$374,335	



Project Example #2

- Project located at West San James / N San Pedro
- Downtown Building Height Limits at this site: 305' MSL
- Project scheduled to operate construction cranes above Downtown Building Height Limits (305' MSL) for 7 months March 2022 – September 2022, only project operating at this time

Deposit

LI#	Month	Single Project Monthly Rates	Season
1	March 2022	\$74,867	(Oct – Mar lower rate)
2	April 2022	\$98,849	(Apr – Sept rate)
3	May 2022	\$98,849	(Apr – Sept rate)
4	June 2022	\$98,849	(Apr – Sept rate)
5	July 2022	\$98,849	(Apr – Sept rate)
6	August 2022	\$98,849	(Apr – Sept rate)
7	September 2022	\$98,849	(Apr – Sept rate)
Total		\$667,961	
\$667,961 x 40% = \$267,184 deposit due at building permit issuance			

Fee Cap

Fee Cap based on 5 X single project monthly rate			
LI#	Month	Single Project Monthly Rates	Season
1	March 2022	\$74,867	(Oct – Mar lower rate)
2	April 2022	\$98,849	(Oct – Mar lower rate)
3	May 2022	\$98,849	(Oct – Mar lower rate)
4	June 2022	\$98,849	(Oct – Mar lower rate)
5	July 2022	\$98,849	(Oct – Mar lower rate)
Fee Cap Total		\$470,263	
After 6 months, cap is eliminated and project will pay \$98,849 for the 7th month (September 2022)			



Project Example #3

- **Two projects:** Project #1 + #2 located at 1st St/E William St & E San Carlos/2nd St
- Downtown Building Height limits at both project sites: 390' MSL
- Projects scheduled to operate construction cranes above Downtown Building Height Limits (390' MSL) for 6 months from July 2022 – December 2022

Deposit

LI#	Month	Single Project Monthly Rates	Season
1	July 2022	\$98,849	(Apr – Sept rate)
2	August 2022	\$98,849	(Apr – Sept rate)
3	September 2022	\$98,849	(Apr – Sept rate)
4	October 2022	\$74,867	(Oct – Mar lower rate)
5	November 2022	\$74,867	(Oct – Mar lower rate)
6	December 2022	\$74,867	(Oct – Mar lower rate)
Total		\$521,148	
(\$521,148 / 2 projects) = \$260,574 x 40% = \$104,230			
\$ 104,230 deposit due per project at building permit issuance			

Fee Cap

Fee Cap based on 5 X single project monthly rate			
LI#	Month	Single Project Monthly Rates	Season
1	July 2022	\$98,849	(Oct – Mar lower rate)
2	August 2022	\$98,849	(Oct – Mar lower rate)
3	September 2022	\$98,849	(Oct – Mar lower rate)
4	October 2022	\$74,867	(Oct – Mar lower rate)
5	November 2022	\$74,867	(Oct – Mar lower rate)
Fee Cap Total		\$446,281	
The Fee Cap is \$446,281 per project			