

PRESS RELEASE  
Town of Atherton

Atherton to Rebate Road Impact Fees: Claim Forms to be Available in April

The Atherton City Council has authorized refunds of Road Impact Fees paid between July 1, 2006 and September 17, 2009. Details of the refund program will be reviewed by the Council at its March 17<sup>th</sup> meeting. Refund claim forms are expected to be available in April and will be posted on the Town website and available at City Hall and the Building Department.

At its Feb. 17<sup>th</sup> meeting, the Council said that refunds will be paid from approximately \$1.6 million in unexpended Road Impact Fees. If valid refund claims exceed that amount, the refunds will be pro-rated. In a separate action in December, the Council rescinded the Road Impact Fee and authorized full refunds of fees paid between on or after September 18, 2009.

The Town's Road Impact Fee was first authorized in September of 2000 after engineering studies showed that a significant amount of the wear and tear on the Town's roads was caused by construction activity. Road Impact Fee proceeds, when combined with other state, federal, and local funding, enabled the Town to make substantial improvements in the over-all quality of Atherton's streets. Streets that are not allowed to deteriorate are cheaper to maintain over the long run, so the program will result in continued cost savings. Almost \$4 million of Road Impact Fees were spent repairing Atherton roads over the life of the program.

The City Council decided to terminate the Road Impact Fee because of controversy about its legality. A 2005 appellate court decision, *Los Angeles County Sanitary District No. 2. v. County of Los Angeles*, concluded that the Vehicle Code prohibited impact fees to address damage to roads from vehicle traffic. Complicating factors were the City's failure to follow certain procedures for a 2007 fee increase or to hold annual hearings on expenditures of the Road Impact Fee, as required by California's Mitigation Fee Act.

Noting that the refunds may be considered taxable income for some recipients, the Council is encouraging recipients to contribute their refunds to non-profit organizations benefiting the Town of Atherton.

For further information, contact City Manager Jerry Gruber at 650-752-0500.