

General Use Permit (GUP) Entitlement Fee Policy

SUMMARY This statement describes University policy on recovering General Use Permit (GUP) mitigation costs through an entitlement fee on Stanford University School and Department facilities growth as of September 1, 2001.

POLICY STATEMENT

The GUP Entitlement Fee (GUP fee) provides funding for the mitigation projects and programs (Conditions of Approval) required by Santa Clara County as a result of the December 2000 Community Plan and GUP approval. GUP-required projects and programs include infrastructure and environmental resources studies, a comprehensive water conservation program, transportation demand management, habitat conservation, and consultant monitoring of mitigation compliance.

In addition to the required mitigation projects and programs, the cost of roadway expansions, new parking, and expanded childcare facilities to support a projected increase of 2,200 students, faculty and staff are paid for by GUP fees.

The GUP fee will be assessed on increases in School/Department gross square footage, and will be applied to all projects using GUP 2000 square footage until GUP 2000 is exhausted. (Note: It is anticipated that the next GUP will also have associated costs that will be recovered by expanding schools and departments.)

APPLICABILITY All space movement that involves expansion or contraction as well as new construction within the academic growth boundary on the Stanford University campus is subject to this policy. The GUP fee is not necessarily based upon the usage of GUP square footage as reported to the County of Santa Clara, but rather it is levied on expanding schools and departments who are occupying increasing amounts of campus square footage. Expanding schools and departments consume GUP square footage directly (by building new) and indirectly (by taking existing areas not previously occupied by them) and, as a result, are required to contribute to the costs of GUP-required mitigations.

The Provost, or his representative, must approve all space movement and associated square footage allocations. The review, determination of applicability and calculation of GUP fees will be made by Land, Buildings and Real Estate (LBRE), as delegated by the Provost. The Provost will settle disputes regarding this calculation.

The following guidelines have been established to determine applicability and calculation of the GUP fee:

- Assessment of space moves commenced on September 1, 2001. Schools/departments occupying space on that date created the space baseline. This baseline will be used to measure future expansion and contraction. Once any expansion or creation occurs and a fee or credit is assessed, the baseline will be updated accordingly.
- All space moves (regardless of new construction or renovation or reallocation of space) will be reviewed for GUP fee applicability.
- GUP fee applicability will be based on an increase of square footage (expansion) by a school or department regardless of whether or not the space uses GUP 2000 square footage.
- The expanding school or department pays the GUP fee on all net new gross square footage occupied.
- If the expanding school/department vacates space that is taken by another department, the school/department taking the vacated space pays the fee on that space.
- Space vacated as a result of a space move may be counted as a credit against an expansion if accepted by the Provost.
- Vacated space that no other school/department wants does not provide a GUP fee credit to an otherwise expanding school/or department until the vacated space is absorbed or demolished.
- Space contraction may result in a GUP square footage credit that may be used in the future. It will not result in a cash payment.
- The minimum threshold subject to the policy is 500 gross square feet.
- The documentation of the GUP fee will be included in the Form 1 and the Funding Plan/Agreement.

GUP FEE ASSESSMENT

GUP fees will be paid by the project and are due and collected upon *Construction Approval* by the Board of Trustees; upon final Form 1 approval; or via the space allocation process.

The forecasted rates for current and future GUP fees can be accessed at http://lbre.stanford.edu/finance/fees_table

EXCLUSIONS

The GUP fee will not be assessed on the following:

- Housing units as they are required as a component of the GUP and are thus excluded.
- The square footage expansion of schools/departments outside the boundaries of the Santa Clara County approved GUP are not subject to the GUP fee.
- Temporary space (defined as space that is occupied for less than 2 years) will not be assessed GUP fees.

FINANCIAL STRUCTURE

The GUP fee structure is based upon the net present value of projected mitigation costs as described in the policy statement section above. The fee will be set on a rolling three-year basis consistent with the Capital Plan and may be revised periodically to account for changes in the projected mitigations and other program costs, including inflation, in consultation with the Provost.

AUTHORITY

The GUP Entitlement Fee Policy will be administered by the LBRE Associate Vice President for Finance and Administration.

This policy is approved by the Provost.