

TO: JAMES L. APP, CITY MANAGER

FROM: ROBERT A. LATA, COMMUNITY DEVELOPMENT DIRECTOR

SUBJECT: DEVELOPMENT APPLICATION FEE UPDATE

DATE: MAY 6, 2003

Needs: For the City Council to consider revising the Fee Schedule for Development Applications to account for cost increases since 1996.

Facts

1. The City's General Plan and Fiscal Policies support cost recovery for expended resources and staff services associated with new development and entitlements.
2. In 1996 the City adopted a fee schedule consistent with the cost recovery approach and began a "Time and Materials" billing process.
3. The 1996 development application fees have been reviewed and it would appear that most of the fees need to be increased in order to cover the current time and materials spent on the applications.
4. The 1996 Planning and Engineering Fees are lacking in the following areas:
 - Engineering time spent on Planning phase project review is not covered;
 - Administrative Processing fees, including but not limited to file set-up, billing, processing, public noticing, utility noticing and copying of staff reports, are not being adequately reimbursed;
 - Archiving Fees (digital files rather than paper files that require cabinets and space) are not covered;
 - Computer Software Fees (to pay for automated file tracking for Planning projects in Sierra Permits) are not included;
 - hourly Staff costs are not current;
 - City Attorney time is not being charged.
5. Also being included with this fee update are the following fixed fees:
 - Oak tree trimming and removal fees
 - Research and information: charge for time and materials
 - "Burn-down" Letters
 - Zoning Verification Letters
6. Consistent with adopted policies, the 1996 fees are proposed to be adjusted to 2003 cost recovery levels.
7. The Council ad hoc Committee (Councilman Finigan and Nemeth) have reviewed the proposal and the ad hoc Committee is recommending approval.

**Analysis
and
Conclusion:**

The current Development Fee Schedule has not been updated since 1996. The proposed revisions would allow the City to be compensated for time and materials spent by Planning and Engineering staff for development applications and other miscellaneous fees.

Please note that the 1996 Fee Schedule added approximately 25 percent to the individual hourly wages to capture overhead costs such as administrative processing. With this fee update, the Administrative Processing has been added as a separate line item figured into the deposit for each project.

Also included in this fee update is the increase of front yard landscaping bonds from \$500 to \$1,500. The reason for the increase is to encourage developers/property owners to complete their landscaping and get their bond back (minus staff time expended). At this time a significant amount of developers/property owners tend to not complete the landscaping in the one-year time period that the bond would allow, and do not request release of bond.

Policy

Reference: Gov. Code §§ 66016; 66018. and Gov. Code § 66017.

Fiscal

Impact: The proposed increase in Development Application Fees would allow the City to receive compensation for actual time spent and cost of materials for development projects. Deposit amounts reflect of expected time and material costs. Applicants receive a refund if deposits exceed City expenses.

- Options:**
- a. Adopt Resolution No. 03-xx approving the revised Development Application Fee Schedule in order for Planning and Engineering staff to capture time and materials related to development applications and an increase in Landscaping Bonds from \$500 to \$1,500 for a typical residential front yard.
 - b. Amend, modify or reject the above option.

Attachments:

1. Attachment A, Fee Increase Worksheet (Shows existing vs. proposed fees)
2. Attachment B, Revised Development Application Fee Schedule
3. Attachment C, Typical Time Spent on Projects
4. Draft Resolution approving Fee Update
5. Newspaper Affidavits

RESOLUTION NO. 03-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
TO APPROVE THE REVISIONS OF THE FEE SCHEDULE FOR DEVELOPMENT
APPLICATIONS AND FRONT YARD LANDSCAPING BONDS
(CITY INITIATED)

WHEREAS, in February 1992, the City Council adopted a Fiscal Policy that states that user fees will be developed to insure/support cost recovery; and

WHEREAS, the proposed cost recovery approach applies to the "processing" of development applications; and

WHEREAS, there are no proposed changes to the City's existing development "impact fees" (e.g., bridge fees, a sewer connection fee, etc.); and

WHEREAS, pursuant to Government Code Section 66014, local agencies may charge fees not to exceed the reasonable cost of providing the service for which the fee is charged; and

WHEREAS, the Community Development Department proposes to charge an individual hourly billing rate for all staff time spent processing all development applications except for those applications which have a fixed fee; and

WHEREAS, the individual hourly billing rates for staff are listed in Section I of this resolution; and

WHEREAS, the fixed fee applications are listed in Section II of this resolution; and

WHEREAS, the development applications for which the individual hourly billing rate shall be charged are listed in Section III of this resolution; and

WHEREAS, the bond for front yard landscaping bonds would be increased from \$500 to \$1,500; and

WHEREAS, public hearings were conducted by the City Council on April 15, 2003 and May 6, 2003 to consider the adoption of development application fees and landscaping bond as presented in the staff report prepared for this report, and to accept public testimony regarding this report; and

WHEREAS, the City has complied with the noticing requirements of Government Code Section 66016; and

WHEREAS, this resolution supersedes the development application fees portion in its entirety of Resolution 96-75 previously adopted by the City Council on June 5, 1996; and

WHEREAS, the City Council finds that the proposed fees do not exceed the reasonable cost of providing the services for which the fee is charged.

NOW, THEREFORE, BE IT RESOLVED, based on the City's independent judgment, the City Council of the City of El Paso de Robles does hereby resolve, determine and order as follows, based upon the facts and analysis presented in the staff reports, and public testimony, that the following fee schedule associated with the processing of development applications including the increase of front yard landscaping bonds from \$500 to \$1,500, are hereby adopted and become effective July 7, 2003.

I. Individual Hourly Billing Rate:

Community Development Director	\$ 69.24
City Planner	\$ 56.93
Associate Planner	\$ 47.68
City Engineer	\$ 58.04
Planning Intern	\$ 15.17
City Attorney	\$ 145.00

II. Fixed Fees:

Home Occupation:	\$ 25.00
Plot Plan Review:	\$ 50.00
Sign Permit:	\$ 20.00
Oak Tree Removal Permit	\$ 200.00
Oak Tree Trimming Permit (if necessary)	\$ 50.00
Burn Down/Zoning Verification Letters	\$ 100.00
Front yard landscaping bond (typical residential front yard)	\$1,500.00
General Public Info.	\$ 0 *
Temporary Use Permits:	\$ 0.*

* The first hour spent will be free of charge. All additional time will be billed at the individual hourly rate.

III. Deposit Schedule:

The deposit amounts represent a minimum amount necessary to begin the application process. Based on the City's experience with average processing times, staff will work with applicants to establish a realistic estimate and deposit amount. Additionally, at the applicant's request, staff will work with the applicant to calculate a reasonable estimate of fees for a specific project. The applicant shall be charged the appropriate individual hourly billing rate for each hour spent processing the application. The deposit amount will be drawn down based on the number of staff hours spent processing the application. At the completion of the project, the remaining deposit will be refunded. If 75% of the initial deposit is depleted prior to completion of the project, staff will notify the applicant in writing that an additional deposit is required (based on staff's reasonable estimate of the hours remaining to complete the project). If the applicant does not submit the deposit amount within 15 days from the date of the letter, staff may stop the processing of the application and/or not schedule the project for the Planning Commission meeting. Staff will make reasonable efforts to be flexible with the intent that all accounts in arrears will be paid in full, prior to the application being considered by the Planning Commission. All remaining deposits will be refunded to the applicant within 30 days of the final action taken by the Planning Commission or City Council, or upon request by the applicant to formally withdraw the application. Staff shall provide to the applicant a written monthly accounting of hours expended processing the application, detailing hours spent by individual staff persons and work performed.

Annexation: (does not include LAFCO or County fees):	\$ 3000
Appeal	\$ 200
Certificate of Compliance:	\$ 200
Conditional Use Permit (Amendment):	\$ 600
Conditional Use Permit (Minor):	\$ 600
Conditional Use Permit (Major):	\$ 2600
Environmental Review by Consultant:	\$ 1500
General or Specific Plan Amendment:	\$ 2600

Commission's Interpretation of Zoning Code:	\$ 600
Planned Development Amendment:	\$ 2600
Planned Development:	\$ 2600
Rezone (text or map change):	\$ 2600
Site Plan Review (Major):	\$ 600
Site Plan Review (Minor):	\$ 200
Street Abandonment:	\$ 600
Street Name Change:	\$ 600
Tentative Parcel Map:	\$ 600
Tentative Lot Line Adjustment:	\$ 600
Tentative Tract Map:	\$ 2600
Time Extension:	\$ 600
Variance:	\$ 600
Vesting Tentative Parcel Map:	\$ 2600
Vesting Tentative Tract Map:	\$ 2600
Waiver or Deferral of Public Improvements:	\$ 600

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 6th day of May 2003 by the following vote:

AYES:
 NOES:
 ABSTAIN:
 ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk

ATTACHMENT C

TYPICAL TIME SPENT ON A MAJOR PROJECT

TASK	ACTION	TIME
1. Completeness	Meeting with applicant: review applicant's submittal to insure that all necessary documents, plans and reports have been submitted.	3
2. Research/Analysis	Review zoning and general plan to determine that proposed application is consistent and determine necessary processing.	1
3. Site Inspection	Walk site to get familiar with the project.	1
4. Environmental Review	Review Environmental documentation/reports, meet with necessary agencies, correspondence to necessary agencies, complete environmental check list, develop mitigation measures, discuss with applicant, develop neg. dec. resolution and mitigation agreement.	8
5. Public Noticing	Develop newspaper and mail notices, confirm 300-foot radius properties have been accurately provided	1
6. Economic Development Team Meeting	Discuss project with City Staff at the EDT meeting. Present up dates to EDT group multiple times as project progresses	2
7. Technical Review Meeting	Meeting between City Staff and the applicants to discuss conditions of approval prior to a public hearing. Preparation of documents necessary for meeting.	1
8. Development Review Committee Meeting	Present project to the DRC for review. Make necessary preparations for DRC meeting.	1
9. Staff Report	Develop staff report, resolutions, maps, exhibits, labeling, organization and distribution.	10
10. PC Meeting	Preparation and presentation of project to the Planning Commission.	2
11. Resolution and Follow up	Once acted on by the PC, revise resolutions send out notice of determination, and make necessary notes on plans.	2
12. Billing and Closeout	Complete billing invoice for project, purge and closeout file.	1
Total Time Spent by Planner		33
Note: this is a typical estimate; times will vary depending on complexity of project.		

ATTACHMENT B

PROJECT DEPOSIT WORKSHEET

The following table outlines the actual costs of time and materials directly related to the proposed increase in deposit for a major and minor projects.

Major Project Deposit: (i.e. Planned Development, Tract, General Plan Amend./Rezone, Conditional Use Permit)
Existing Fee: \$800-\$1600

Engineering Review	\$232	(4hrs. @ 58/hr.)
Planning Review	\$1881	(33 hrs. @ \$57/hr.)
Other Staff Review	\$116	(2hrs. @ \$58/hr.)
Administrative Processing	\$320	(subject but not limited to file set-up, billing, processing, archiving, project intake, public noticing, report distribution, final distribution and file close-out, postage and handling)
File Data Base Input	\$50	
Total Deposit	\$2,599	

Major Project would increase to \$2,600

Minor Project Deposit (i.e. Time Extension, Lot Line Adjustment, Waiver)
Existing Fee: \$200

Planning Review	\$285	(5 hrs. @ \$57/hr.)
Other Staff Review	\$58	(1hr. @ \$58/hr.)
Administrative Processing	\$220	(subject but not limited to file set-up, billing, processing, archiving, project intake, public noticing, report distribution, final distribution and file close-out, postage and handling)
File Data Base Input	\$50	
Total Additional Fees	\$613	

Minor Project would increase to \$600

ATTACHMENT A

DEVELOPMENT APPLICATION FEE SCHEDULE CITY OF PASO ROBLES EFFECTIVE JULY 7, 2003

On June 5, 1996, the Paso Robles City Council adopted a revised development application fee schedule. The purpose of the revision was to establish a method for calculating and collecting fees based on the actual cost of providing the service. This was the first development application fee adjustment since 1986.

On May 6, 2003, the Paso Robles City Council adopted a revised version of the development application fee schedule from 1996, in order to revise the fees to be adjusted to current costs for processing.

The majority of fees for processing development applications will ~~now~~ continue to be calculated based on the actual staff time expended (i.e., multiplying the actual number of staff hours spent processing an application by the hourly billing rate established for each planner).

A minimum deposit amount has been established to cover the costs for the average project. Please note that the time spent on processing applications varies depending on many factors, including but not limited to, the adequacy of detail provided on the plans, the amount of research the applicant has conducted, the level of environmental review required by State law, the complexity or controversy of the proposed project, and whether or not the City Attorney needs to become involved with the project. Therefore, **the minimum deposit amount may or may not be sufficient to cover the processing fee.**

In order to establish a realistic estimate of the total fees for a specific project, applicants are encouraged to make an appointment with a Planning Division staff person. Staff will be glad to meet with the applicant to discuss the project, and to calculate our best estimate. The estimate would be based on the known project features and staff's experience with similar projects.

DEPOSIT SCHEDULE: *The following amounts represent the **minimum** deposit amounts necessary to begin the development application process.*

ANNEXATION (does not include LAFCO or County Fees)	\$3,000.	
APPEAL	\$ 100.	\$ 200.
CERTIFICATE OF COMPLIANCE	\$ 200.	
CONDITIONAL USE PERMIT (Amendment)	\$ 600.	
CONDITIONAL USE PERMIT (Minor)	\$ 600.	

CONDITIONAL USE PERMIT (Major)	\$ 1200.	\$ 2,500.
ENVIRONMENTAL REVIEW BY CONSULTANT	\$1,500.	
GENERAL OR SPECIFIC PLAN AMENDMENT	\$ 800.	\$ 2,600.
COMMISSION'S INTERPRETATION OF ZONING CODE	\$ 200.	\$ 600.
PLANNED DEVELOPMENT AMENDMENT	\$ 600.	\$ 2,600.
PLANNED DEVELOPMENT	\$ 1200.	\$ 2,600.
REZONE (Text or Map change)	\$ 800.	\$ 2,600.
SITE PLAN REVIEW (Major)	\$ 1200.	\$ 600.
SITE PLAN REVIEW (Minor)		\$ 200.
STREET ABANDONMENT	\$ 200.	\$ 600.
STREET NAME CHANGE	\$ 200.	\$ 600.
TEMPORARY USE PERMITS	\$ 0.*	
TENTATIVE PARCEL MAP	\$ 500.	\$ 600.
TENTATIVE LOT LINE ADJUSTMENT	\$ 200.	\$ 600.
TENTATIVE TRACT MAP	\$ 1300.	\$ 2,600.
TIME EXTENSION	\$ 200.	\$ 600.
VARIANCE	\$ 600.	
VESTING TENTATIVE PARCEL MAP	\$1,000.	\$ 2,600.
VESTING TENTATIVE TRACT MAP	\$1,600.	\$ 2,600.
WAIVER OR DEFERRAL OF PUBLIC IMPROVEMENTS	\$ 200.	\$ 600.

Once an application and deposit have been submitted, the deposit amount will be “drawn down” based on the number of staff hours spent processing the application. At the completion of the project, the remaining deposit will be refunded. If 75% of the initial deposit is used up prior to completion of the project, staff will notify the applicant in writing that an additional deposit is required (based on staff’s reasonable estimate of the hours remaining to complete the project).

If the applicant does not submit the deposit amount within 15 days from the date of the letter, staff may stop processing of the application and/or not schedule the project for the Planning Commission. All remaining deposits will be refunded to the applicant within 30 days of the final action taken by the Planning Commission or City Council, or upon written request by the applicant to formally withdraw the application. Staff will provide the applicant with a monthly invoice indicating the number of hours spent by individual staff persons, the work performed and the remaining balance.

FIXED RATE FEES

There are some types of applications that have remained “fixed rate fees”. Typically, the amount of time spent processing does not significantly vary from one application to another. Therefore, the following development application fees will remain fixed no matter how many hours are required for staff to process **(unless noted)**:

Home Occupation Permit	\$ 25.
Plot Plan Review	\$ 50.
Sign Permit	\$ 20.
Oak Tree Removal Permit	\$ 200.
Oak Tree Trimming Permit (if permits required)	\$ 50.
Burn Down/Zoning Verification Letters	\$ 100.
General Public Info.	\$ 0.*

** The first hour spent will be free of charge. All additional time will be billed at the individual hourly rate.*

HOURLY BILLING RATES

The following hourly billing rates have been established by the City Council for the Planning and Engineering Division:

Community Development Director:	\$59.23/hour	\$69.24/hour
Principal City Planner	\$55.35/hour	\$56.93/hour
Associate Planner	\$49.07/hour	\$47.68/hour
City Engineer	-----	\$58.04/hour
Planning Intern	\$31.27/hour	\$15.17/hour
City Attorney		\$145.00/hour

NOTE: These wages are based on a City Council adopted Labor Contract and subject to automatic annual adjustments based on cost of living increases.