



AGENCY:	City Council/MID
MEETING DATE:	November 28, 2016
DEPARTMENT:	Administration
PRESENTED BY:	L. Ruffing

## **AGENDA ITEM SUMMARY**

### **TITLE:**

**RECEIVE REPORT, CONDUCT PUBLIC HEARING, AND CONSIDER ADOPTION OF THE FOLLOWING:**

- 1. CITY COUNCIL RESOLUTION ADOPTING UPDATED FEES FOR VARIOUS PLANNING AND BUILDING SERVICES**
- 2. JOINT CITY COUNCIL/IMPROVEMENT DISTRICT RESOLUTION ADOPTING UPDATED FEES FOR MISCELLANEOUS CITY/DISTRICT SERVICES**
- 3. CITY COUNCIL RESOLUTION EXTENDING TEMPORARY WAIVER OF IN-LIEU PARKING FEES**

### **ISSUE:**

The City of Fort Bragg charges fees to offset the cost of providing various services and those fees are reviewed each year to assure that full cost-recovery is provided consistent with established City Council/Improvement District Board policies. If approved, the updated fee schedule presented herein would take effect on January 1, 2017.

### **RECOMMENDED ACTION:**

Following the public hearing, take the following actions:

1. Motion to adopt City Council resolution adopting updated fees for various Planning and Development services;
2. Motion to adopt joint City Council/Improvement District resolution adopting a fee schedule for miscellaneous City/District services.
3. Motion to adopt City Council resolution extending temporary waiver of in-lieu parking fees to December 31, 2017.

### **ALTERNATIVE ACTION(S):**

1. Conduct the public hearing and make minor modifications to one or more of the resolutions prior to adoption.
2. Conduct the public hearing and direct staff to provide additional analysis or changes to the proposed resolutions for action at a future meeting.

### **ANALYSIS:**

Staff time and other costs incurred in conducting City business (such as processing of development and other applications, inspections, agenda and packet preparation, and most other services) are generally measurable and are provided for the benefit of individuals as opposed to the benefit of the community as a whole. Hence, fees for these activities are not taxes, but rather, they are fees for services. The 2017 fee schedule update includes the following noteworthy changes:

## Planning & Development Fees

- Most of the changes to the Planning & Development fees result from increased personnel costs.
- In a few instances, fees will go down—these reductions resulted from recalculation of average staff time associated with permitting activities. Notable fee reductions include a reduction in the cost of a Planning Commission hearing from \$1,115 to \$760 and reductions in Code Enforcement Fees.
- Staff recommends that the temporary waiver of Parking In-Lieu Fees be extended for one more year to assist new and expanding businesses in the Central Business District. A resolution is presented for the Council to extend the temporary waiver until December 31, 2017 (Attachment 1).
- A new fee of \$25 for Administrative Design Review of Public Arts & Murals is proposed rather than charging the full design review fee (\$560) for these activities.
- Staff recommends that the Council consider modifying the cost of an appeal of a Planning Commission decision. It is currently \$1,000 and staff recommends that it be reduced to \$500. Neither of these amounts comes close to covering the costs associated with an appeal—but the Council has chosen to set appeal fees at a level which discourages “frivolous” appeals while not having a “chilling effect” on appellants’ ability to pay the filing fee. The fee schedule also includes a Note, as follows:

“DDA will be charged for all costs incurred by City in processing an appeal. Appeal fee will be credited to DDA. Council retains authority to reimburse appeal fees.”

This language is consistent with Council policy that developers, rather than taxpayers, should pay for the costs associated with the City’s processing of development applications. It is, however, a departure from past practice. The City Attorney’s office is reviewing the Processing Agreement Form for developer deposit accounts and some revisions may be made to clarify an applicant’s responsibility for covering costs incurred by the City in conjunction with the processing of an appeal.

## Fees for Miscellaneous City Services

- The fee structure for Film Permits has been simplified by eliminating much of the verbiage and, instead, relying on a deposit account to recover City costs.
- No changes are proposed for the Old Rec Center Gym use fees.
- A new appeal fee is established for appeals of Code Enforcement actions that is equal to the amount of the Code Enforcement penalty fee.
- Minor changes are proposed to Public Safety and Public Works fees. In Public Works, some fees deemed to be unnecessary are eliminated.
- The AV Tech fee is removed from the Town Hall Fee schedule, as it is not a service we can provide given other demands on the position.
- There are no changes proposed for the Water Conservation penalties.
- Water and Sewer capacity and connection fees are updated based on the Engineering News-Record Construction Cost Index which is 1.61% for 2016. Both of these fee schedules have a Note, as follows:

“Recently enacted State housing legislations will require the City to establish a separate connection and capacity fee structure for Accessory Dwelling Units. Staff recommends that options be vetted by the Public Works & Facilities Committee and brought forward to City Council for adoption in early 2017.”

- Staff recommends that the City’s drainage impact fees for new construction remain unchanged at this time. The fee schedule includes a Note, as follows:

“The City’s drainage impact fees were last updated in 2008. Staff proposes that modified drainage fee calculation methodologies be vetted by the Public Works & Facilities Committee and brought forward to City Council for adoption in early 2017.”

Following the conduct of a public hearing, staff recommends adoption of the updated fee schedule. To do so, two separate resolutions are necessary as follows:

**(1) Adopt City Council Resolution Adopting Updated Fees for Various Planning and Development Services (Attachment 2)**

Modifications to planning and development fees are described in Government Code section 66014, which requires that the fees not exceed the estimated reasonable cost of providing the service for which the fee is charged, unless the fee is submitted to and approved by a popular vote of two-thirds of those electors voting on the issue.

City staff has conducted an analysis of the planning and development fees collected by the City and the costs reasonably incurred in providing such services. The revised fees are listed in Exhibit “A” of the Resolution Adopting Updated Fees for Various Planning and Development Fees.

Government Code section 66016 establishes the requirements for public notice and a public meeting prior to adoption of new or amended fees. Notice was provided in accordance with these requirements.

**(2) Adopt Joint City Council/Improvement District Resolution Adopting a Fee Schedule for Miscellaneous City Services (Attachment 3)**

Modifications to fees for miscellaneous City services are governed by Government Code section 66018, which requires that a public hearing be held prior to action on a resolution adopting a new fee or increasing an existing fee. Staff conducted an analysis of the City’s miscellaneous services and the costs incurred in providing those services and prepared Exhibit “A” to the Resolution Adopting a Fee Schedule for Miscellaneous City Services.

Since the fees charged for miscellaneous services are limited only to the amount necessary to cover the staff costs to provide the service, the fees are not a source of additional general fund revenues nor are they a “special tax” as described in Government Code section 50076.

A public hearing notice (Attachment 4) was published in accordance with Government Code section 66018, which requires publication twice in a local newspaper, with the first publication at least 10 days prior to the public hearing. Notice was also provided in accordance with Government Code section 66016, which requires that notice be mailed at least 14 days prior to the public hearing to any interested party who files a written request for such notice.

**FISCAL IMPACT:**

Although the exact fiscal effect of the proposed fee changes cannot be accurately estimated, changes in the fees charged for various planning and development fees as well as miscellaneous city services reflect changes in the cost of providing those services.

**CONSISTENCY:**

These fee updates are consistent with established City Council policy requiring full cost-recovery for services provided.

**IMPLEMENTATION/TIMEFRAMES:**

The new fees will become effective on January 1, 2017. The Consolidated Fee Schedule will be updated and distributed to City staff and will be posted on the City's website.

**ATTACHMENTS:**

1. Proposed City Council Resolution Extending the Temporary Waiver of In-Lieu Parking Fees to December 31, 2017;
2. Proposed City Council Resolution Adopting Updated Fees for Various Planning and Development Services;
3. Proposed Joint City Council/Municipal Improvement District Resolution Adopting a Fee Schedule for Miscellaneous City Services;
4. Public Hearing Notice

**NOTIFICATION:**

None.

**City Clerk's Office Use Only**

Agency Action      ☐ Approved      ☐ Denied      ☐ Approved as Amended

Resolution No.: \_\_\_\_\_ Ordinance No.: \_\_\_\_\_

Moved by: \_\_\_\_\_ Seconded by: \_\_\_\_\_

Vote: \_\_\_\_\_

☐ Deferred/Continued to meeting of: \_\_\_\_\_

☐ Referred to: \_\_\_\_\_