



**CITY OF LOS ALTOS
CITY COUNCIL MEETING
May 12, 2015**

CONSENT CALENDAR

Agenda Item # 2

SUBJECT: Adopt Resolution 2015-06, setting the FY 2015/16 Fee Schedule

BACKGROUND

Staff annually re-evaluates fees and charges that are collected for City services for those activities which are intended to be cost recovery. The City contracted with Revenue and Cost Specialists in 2012 to develop an updated cost allocation plan. Their report recommended an updated cost allocation schedule and the inclusion of approximately 1.25 Engineering Division FTE's to Community Development Department expenditures. This represents percentages of Engineering Division staff time spent on private development review and has been included starting with the FY 2013/14 Fee Schedule.

The primary purpose of the cost allocation report is to accurately allocate indirect costs to Departments. Department expenses include all direct costs, such as salaries, benefits, supplies, building utilities, equipment replacement, etc., and indirect costs. Indirect expenses include the costs associated with external Departmental support from the City Manager, City Clerk, City Attorney, and Administrative Services Departments. For Community Development, another cost allocation line item is an annual Capital Improvement Program revenue target. This capital revenue is collected to fund projects such as the Housing Element update and other special land use studies necessary to support development review and technology costs.

EXISTING POLICY

In 1988, the City Council adopted Ordinance No. 88-190, establishing a formal policy that certain fees, most notably development review fees, need to recover all direct, indirect and overhead costs associated with providing those services.

PREVIOUS COUNCIL CONSIDERATION

May 27, 2014 and June 10, 2014

DISCUSSION:

The Planning and Building Divisions of the Community Development Departments are the only programs that are expected to recover their total direct and indirect expenditures through user-fee revenue and are typically the focus of the Fee Schedule update. The Engineering Division, for example, collects subdivision map checking fees to recover the full cost of that service, but this has no effect on the Division's costs to manage capital projects.

As a result of consistently high development activity, Community Development has over the years been able to achieve full cost-recovery even with moderate permit fees. By maintaining appropriate fees-for-service, and continuing high-levels of development activity, Community Development has achieved approximately 100% fully allocated cost recovery for the first two quarters of FY 2014/15, and no fee major changes are recommended at this time. This is represented in the Department Cost Recovery Table (Attachment 2). Staff will continue to monitor fully-allocated expenditures against revenues quarterly.

Minor Fee Schedule adjustments and clarifications include:

Codifying the Building Official's Authority to set a Minimum Construction Valuation.

The Building Official refers to a Bay Area Construction Cost Index to establish base construction costs for building permit purposes of \$150 per building square foot. Construction costs for commercial and residential projects can range much higher dependent upon the use of expensive finishes or optional upgrades such as energy conservation measures that do not necessarily contribute to the amount of time and expense required to perform a construction inspection. Staff is recommending that the Construction Cost Index base cost of \$150 per building square foot now be codified so it is readily available to staff and the public.

Tentative Subdivision Map Fee

Development review application fees include a fee to modify an approved application. The fee for initial application review and approval for large projects, which require significant staff time and multiple public hearings, is \$4,950. The large project modification fee, which typically requires much less staff time, is \$1,650. Staff is recommending that this modification fee be included with the Tentative Subdivision Map fee line item.

Zoning Verification Letter

Over the years, City staff has been willing to provide Zoning Verification Letters to property owners and brokers as a courtesy City service. This service may require several hours of research. Recently, however, the City has been receiving more of these requests and oftentimes from data-collection companies outside of the state. Staff is recommending a \$275 fee for this service which reflects the current cost of a Preliminary Project Review application and requires the same basic level of effort.

Community Development fees are permitted to be assessed on a Department macro-level so fees can be adjusted as deemed appropriate. A single family home variance application, for example, is \$1,650 while a large mixed-use commercial project variance fee is \$4,950. This is acceptable so long as the total fees do not exceed Department development services-related expenditures.

No other City Departments are recommending fee changes for FY 2015/16.

PUBLIC CONTACT

Posting of the meeting agenda serves as notice to the general public.

FISCAL/RESOURCE IMPACT

None

ENVIRONMENTAL REVIEW

Categorically Exempt pursuant to CEQA Section 15273

RECOMMENDATION

Adopt Resolution 2015-06, establishing the FY 2015/16 Fee Schedule

ALTERNATIVES

No viable alternative identified

Prepared by: James Walgren, Community Development Director

ATTACHMENTS:

1. Resolution No. 2015-06
2. FY 2014/15 Community Development Department Cost Recovery Table

RESOLUTION NO. 2015-06

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF LOS ALTOS SETTING
CERTAIN FEES AND CHARGES TO BE COLLECTED**

WHEREAS, the Municipal Code specifies that certain fees and charges shall be set by Resolution of the City Council; and

WHEREAS, these fees and charges should be in amounts sufficient to recover the costs incurred by the City with respect to the functions to be performed by the City; and

NOW, THEREFORE, BE IT RESOLVED that the various fees and charges set forth in the attached FY 2015/16 Fee Schedule shall become effective July 1, 2015 and shall remain in effect until a new Resolution amending the same is adopted by the City Council.

BE IT FURTHER RESOLVED all other fees previously established by other Council Resolution or Ordinance remains in effect.

I HEREBY CERTIFY that the forgoing is a true and correct copy of a Resolution passed and adopted by the City Council of the City of Los Altos at a regular meeting thereof held on the 12th day of May, 2015 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Janis C. Pepper, MAYOR

Attest:

Jon Maginot, CMC, CITY CLERK

City of Los Altos

Fee Schedule

2015/16

Community Development – Building	Fee for Service
Building Permit Valuation based on price per square foot of construction. Minimum valuation for new residential and commercial construction is \$150.00 per square foot.	
Total Valuation \$1 - \$3,000	\$75.00
\$3,001 - \$25,000	\$75.00 for the First \$3,000.00 Plus \$15.45 for Each Additional \$1,000.00 or Fraction Thereof, To and Including \$25,000.00
\$25,001 - \$50,000	\$414.90 for the First \$25,000.00 Plus \$11.15 for Each Additional \$1,000.00 or Fraction Thereof, To and Including \$50,000
\$50,001 - \$100,000	\$693.65 for the First \$50,000.00 Plus \$7.75 for Each Additional \$1,000.00 or Fraction Thereof, To and Including \$100,000.00
\$100,001 - \$500,000	\$1,081.15 for the First \$100,000.00 Plus \$6.20 for Each Additional \$1,000.00 or Fraction Thereof, To and Including \$500,000.00
\$500,001 - \$1,000,000	\$3,561.15 for the First \$500,000.00 Plus \$5.25 for Each Additional \$1,000.00 or Fraction Thereof, To and Including \$1,000,000.00
\$1,000,001 and Up	\$6,186.15 for the First \$1,000,000.00 Plus \$3.50 for Each Additional \$1,000.00 or Fraction Thereof
Electrical, Fire Department Inspection, Mechanical or Plumbing Permit Total Valuation \$1 - \$3,000	\$75.00
\$3,001 - \$25,000	\$75.00 for the First \$3,000.00 Plus \$21.00 for Each Additional \$1,000.00 or Fraction Thereof, To and Including \$25,000.00
\$25,001 - \$50,000	\$537.00 for the First \$25,000.00 Plus \$15.25 for Each Additional \$1,000.00 or Fraction Thereof, To and Including \$50,000.00
\$50,001 - \$100,000	\$918.25 for the First \$50,000.00 Plus \$10.00 for Each Additional \$1,000.00 or Fraction Thereof,

\$100,001 and up	To and Including \$100,000.00 1.5% of Valuation
Building Plan Check	65% of Building Permit Fee
Blueprint for a Clean Bay	\$10.00
Building Code Compliance Review	\$500.00
Building Moving Permit	Time/Material
California Green Building Fund	\$4.00 Per \$100,000.00 in Valuation, but not less than \$1.00 Per \$25,000.00 in Valuation
Construction Tax Residential Commercial	\$0.41 per Square Foot \$0.68 per Square Foot
Demolition Permit Single Family Commercial/Multiple Family	\$275.00 \$550.00
Duplicate Permit Request	\$50.00
Energy Plan Check	25% of Building Permit
Fire Marshall Plan Check	20% of Building Permit
Miscellaneous Building Permit	\$75.00
Property Research Residential Commercial	\$25.00 per Property \$50.00 minimum per Property
Re-Inspection Request	\$75.00
Solar and Photovoltaic Permit	\$500.00
Street Address Change	\$550.00
Strong Motion and Seismic Hazard Mapping Residential Commercial	Minimum Fee is \$0.50 for Any Valuation Up To \$5,000.00 (x 0.0001 = Fee Amount) Minimum Fee is \$0.50 for Any Valuation Up To \$2,381.00 (x 0.0001 = Fee Amount)
Technology Surcharge – Permit System Maintenance, Document Archiving Maintenance, Document Backfile Conversion	5% of Building/Electrical/Mechanical/Plumbing Permits
Temporary Certificate of Occupancy	\$ 350.00
Community Development – Planning	Fee for Service
Annexation	\$200.00 Deposit per Parcel, with a \$1,000.00 Minimum and Fully Allocated Hourly Staff Rates
Appeal Within Notification Boundary Outside Notification Boundary	\$550.00 \$1,650.00
Application Extension Single-Family Commercial/Multiple Family	\$275.00 \$550.00
Application Modification Single-Family Commercial/Multiple Family	\$550.00 \$1,650.00
Certificate of Compliance	\$550.00 + Time/Material
Conditional Use Permit Business Use Only Planning/Transportation Commission Business Use Only	\$1,650.00 \$2,750.00

Planning/Transportation Commission City Council New Construction (>500 sq. ft.) Planning/Transportation Commission City Council	\$4,950.00
Design Review Second Living Unit Single Family Administrative (>500 Sq. Ft.) Design Review Commission Commercial/Multiple Family Administrative (≤500 Sq. Ft.) Commercial/Multiple Family Planning/Transportation Commission City Council (>500 Sq. Ft.)	\$550.00 \$825.00 \$1,650.00 \$825.00 \$4,950.00
Development Agreement Fee	Time/Material (\$5,000.00 deposit)
Environmental Impact Report	\$4,950.00 + Time/Material
Electric Vehicle Charging	\$.32 Per kWh
Environmental Initial Study	\$1,650.00 + Time/Material
General Plan/Map Amendment	\$4,950.00
Lot Line Adjustment	\$1650.00 + Time/Material
Park In-Lieu Fee Single Family Residential Unit Multiple Family Residential Unit	\$56,500.00 \$35,500.00
Planned Unit Development	\$4,950.00
Preliminary Project Review	\$275.00
Public Sidewalk Display Permit	\$50.00
Reversion to Acreage	\$1,650.00 + Time/Material
Sign Design Review Modification of Existing Sign and Sign Per a Sign Program New Sign not part of a Sign Program	\$140.00 \$275.00
Single Story Overlay Rezoning	\$4,500.00
Tentative Subdivision Map Review	\$4,950.00
Tentative Subdivision Map Extension/ Modification	\$1,650.00
Traffic Impact Fee Single Family Residential Unit Multiple Family Residential Unit Senior Residential Unit Commercial Office	\$6,152.00 \$3,777.00 \$1,584.00 \$11,269.00 Per 1,000 sq. ft. \$9,076.00 Per 1,000 sq. ft.
Tree Removal	\$50.00
Vacating Easement/Right-of-way	Time/Material
Variance Review Accessory Structure Single Family Main Structure Commercial/Multiple Family Main Structure	\$550.00 \$1,650.00 \$4,950.00
Zoning Ordinance/Map Amendment	\$4,950.00
Zoning Use Compliance	\$100.00
Zoning Verification Letter	\$275.00

Police	Fee for service
Alarm Permit	\$37.00 Per Permit
Renewal	\$37.00 Per Permit
Late Renewal/Unpermitted Alarm response	\$74.00
False Alarm Response	
First Two Responses In a Permit Year	No Charge
Third and Subsequent Responses	\$220.00 Per Response
Alcohol Permit	\$70.00 Per Application
DUI Accident Response	
Police Response	\$1,190.00
Fire Response	\$1,390.00
Fatal accident	Fully Allocated Hourly Rate for All Emergency Personnel Responding, Not to Exceed \$12,000.00 Per Incident
Jail Booking Fees	Actual County Cost
Massage Establishment Permit	
New	\$275.00
Annual Renewal	\$65.00
Massage Therapist Permit	
New	\$235.00
Annual Renewal	\$65.00
Massage Appeal Hearing	\$1,970.00 per appeal Includes One Hour of City Attorney Time
Miscellaneous Police Permit	\$275.00 Per Application
Parking Permit	
Quarterly	\$12.00
Annual	\$36.00
Second Response Call-Back	
Standard Response	\$585.00 Per Response After an Initial Warning
Juvenile Alcohol Party Response	\$585.00
Secondhand Dealer/Pawn Shop Permit	
New	\$245.00
Annual Renewal	\$85.00
Solicitor Permit	\$100.00 Per Application
Special Event Permit Application	
New	\$2,045.00
On-going	\$875.00
Special Event Police Service	Salaries/Benefits/Overhead at Overtime Rate
Vehicle Impound Release	\$230.00 per vehicle
Vehicle Repossession	\$15.00 per vehicle
Verification/Clearance Letter	\$33.00 per letter
Public Works	Fee for service
Banner Hanging	
San Antonio/ECR	\$366.00 Per Two Weeks
Downtown	\$366.00 Per Week
Fremont/Grant	\$308.00 Per Two Weeks
Lincoln Park	
9 foot	\$153.00 Per Week
18 foot	\$308.00 Per Week
County Sewer Plan Check	\$545.00 Per Plan

Encroachment Permit	
Parking Stall	\$70.00 Per Permit Plus \$30.00 Per Stall Per Day
Special	\$380.00 Per Permit Plus Actual outside Costs
Miscellaneous	\$190.00 Per Permit
Final Subdivision Map Check	\$1,120.00 Per Map Plus Actual outside Costs
Flood Hazard Letter	\$50.00 Per Letter
Heavy Haul Permit	\$585.00 Per Permit
Public Works Inspection	6% of the Estimated Cost of Construction
Lot Line Adjustment	\$505.00 Plus Actual outside Costs
Sewer Dye Test	\$95.00 Per Test
Stormwater Management Plan Check	\$355.00 Per Application
Temporary Lane Closure Permit	\$490.00 Per Permit Plus \$60.00 Per Day After First Day
Utility Street Cut Permit	2% of Construction Cost (\$200.00 Minimum)
Miscellaneous	Fee for service
Business License Listing	\$15.00 Per Request
Business License Duplicate	\$15.00 Per Request
City Initiative Filing	\$200.00 Per Initiative, Refunded if Within One Year of Filing the Notice of Intent, the Elections Official Certifies the Sufficiency of the Petition
Damage to City Property	Time/Material
Document Certification	\$25.00 Per Certification
Document Reproduction	\$0.25 Per Page
Fair Political Practices Commission Related	\$0.10 Per Page
DVD Copy	\$2.00 Per Disk
Non-Sufficient Funds Check Processing	\$40.00 Per NSF Check

Community Development Department Cost Recovery 2014-2015

	YTD Total	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
DEPARTMENTAL FEE REVENUE	\$ 1,591,438	\$ 980,356	\$ 611,082		
DEPARTMENTAL EXPENSES ¹	\$ 1,186,702	\$ 505,255	\$ 681,447		
General Overhead ²	\$ 293,082	\$ 146,541	\$ 146,541		
Engineering Staff Allocation ³	\$ 70,228	\$ 35,114	\$ 35,114		
Special Studies and CIP Projects ⁴	\$ 50,000	\$ 25,000	\$ 25,000		
TOTAL EXPENSES	\$ 1,600,012	\$ 711,910	\$ 888,102	\$ -	\$ -
Total % of Fee Recovery	0.99464	1.37708	0.68808		

¹ Represents all Department operating costs, including salaries, benefits, supplies, utilities, equipment replacement, etc.

² Represents \$586,164 in Department administrative overhead charges per the 2013 RCS cost recovery report.

³ Represents \$140,455 in Engineering staffing charges to Community Development per the 2013 RCS cost recovery report.

⁴ Represents General Plan updates, technology and other development review related studies and CIP project funding.