

STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: GAYLA R. CHAPMAN, ADMINISTRATIVE SERVICES DIRECTOR
SUBJECT: MASTER FEE SCHEDULE AMENDMENTS AND CLARIFICATIONS



BACKGROUND

On May 16, 2016, staff brought the annual update to the Master Fee Schedule to the City Council. At that meeting, staff was directed to return with a few amendments and clarifications.

DISCUSSION

The City Council requested staff to return regarding the following items:

- 1) Explanation of the Units - Development Impact Fees.
- 2) Cancellation fee for Facility Rentals.
- 3) Option for staff to complete Environmental Reviews.
- 4) General Plan Interpretations.

Explanation of Units – Development Impact Fees

The purpose of impact fees is to fund the cost of future capital improvement to serve new development. The improvements are necessary to mitigate the impacts and on existing development due to growth. The impact fees assist in maintaining the current level of service provided by existing facilities. The 2006 Development Impact Fee Study (Exhibit A to Attachment 1) is included with this report. In the study you will notice different fees listed. These fees have been updated each year based on the Consumer Price Index.

The relationship between the fee and the cost of the facility is established through calculations provided in various fee types. Land use and population data allows for the allocation of the cost of new capital facilities between existing and future development and also among land use types.

The units shown on page 14 of the Master Fee Schedule for the various development impact fees were adopted with the 2006 Development Impact Fee Study. In order to make the information show clearly in the Master Fee Schedule, staff is changing the layout of this section. The following shows the new layout using the Administrative Development Impact Fee:

APPROVED FOR FORWARDING


MATTHEW BRONSON
CITY MANAGER

Please Review for the Possibility of a Potential Conflict of Interest:

- None Identified by Staff
- Shoals
- Lee
- Bright
- Nicolls
- Shah

Administrative Development Impact Fee

Fee/Unit of Service (Per Person/Sq. Feet)		\$ 50.13
Single Family Residence (Per Person)	2.56 Persons per DU	\$128.33
Multi Family Residence (Per Person)	2.11 Persons per DU	\$105.77
Mobile Home (Per Person)	1.40 Persons per DU	\$ 70.18
Commercial (1,000 Sq. Feet)	6.00 per 1,000 Sq. Feet	\$300.78
Office (1,000 Sq. Feet)	2.94 per 1,000 Sq. Feet	\$147.38
Industrial (1,000 Sq. Feet)	2.02 per 1,000 Sq. Feet	\$101.26

The use of Persons per Dwelling Unit (DU) is intended to clarify how the fee is calculated. For Commercial, Office or Industrial, the Per Person Fee would be charged against the amount per 1,000 sq. feet. This wording clarification has been changed for each of the Development Impact Fees. The exception would be the Park Improvements and Recreation Facility Development Impact fees, which are charged per unit for the varying dwelling types. The Storm Water Development Impact fee is based on square foot of impervious surface and the Transportation Development Impact Fee is based on Average # of peak hour trips per dwelling unit for residential and per 1,000 square foot for Commercial, Office and Industrial. Hotel/Motel is based on a traffic study actual peak hour trips.

Over the years, since the Development Impact Fee study was completed, some of the updated calculations did not tie-out based on the Per Person rate multiplied by the Persons per Dwelling Unit. Staff has corrected these computations on page 14 of the Master Fee Schedule.

Cancellation Fee for Facility Rentals

The current cancellation fee for facility rentals is a flat \$200.00 for cancellations that occur less than 30 days prior to the rental date. After reviewing the cancellation fee, staff recommends amending the fee to 25% of the total of the rental fee for rentals based on an hourly rate up to a maximum of \$200.00. For example, if the total rental fee is \$100 and a cancellation needs to occur, the cancellation fee would be \$25.00. Furthermore, for a weekend all day rate, staff recommends the rate remain at \$200.00. This is due to the popularity of the weekend rentals. Most renters rent more than 30 days in advance; therefore, the \$200.00 cancellation fee for a weekend rental is requested to remain the same.

The cancellation fee for facility rentals cancelled more than 30 days prior to the rental date is currently \$100.00. Staff would recommend this fee stay at \$100.00 for the weekend all day rate. Staff is recommending that the cancellation fee for the hourly rate also be 12.5% of the total rental fee with a maximum of \$100.00.

Option for staff to complete Environmental Reviews

Currently most Environmental Reviews are outsourced, and the fee listed in the Master Fee Schedule reflects the outsourcing. When warranted, the Community Development Director has decreased the amount of the deposit for environmental reviews based on the language listed on Page 7 which states: "The Community Development Department may increase or decrease the deposit amount depending on the complexity of the project."

At the May 16, 2016 Council meeting staff was directed to bring forward a deposit for staff prepared Environmental Reviews. Staff has prepared an analysis of the cost for a staff environmental review and is requesting a Deposit of \$5,000 for a Negative Declaration prepared

by staff and \$7,500 for a Mitigated Negative Declaration prepared by staff based on the estimated cost of staff time to complete these types of review.

General Plan/Interpretations

Upon review of this item, staff is requesting the General Plan, Municipal, Zoning Code, or Local Coastal Program amendments remain as listed at \$4,000.00 on page 7 of the fee schedule. All of these legislative type of projects are typically more complicated and require a minimum of two public hearings. If the amendment was simple, the Community Development Director can reduce the amount of the deposit accordingly.

Staff reviewed the Interpretation listed on page 7. The deposit is listed at \$500. This amount is deemed to be sufficient. Staff is requesting clarifying language to change the description to Code Interpretation. This is utilized only when staff makes an interpretation of the Development Code and the developer disagrees with the interpretation. The deposit would be collected and the charges against the deposit would be incurred based upon actual time of staff to obtain the interpretation from the Planning Commission. There have been no Code Interpretation applications in the last 10 years.

City Management

Pursuant to Assembly Bill 2217, the fee for notarizations is being raised to \$15 effective January 1, 2017. Since this is a fee designated by the state, staff will be administratively adjusting this fee in the Master Fee Schedule upon that date.

ALTERNATIVES

The Council has the following alternatives to consider:

1. Adopt the Resolution amending the Master Fee Schedule; or
2. Do not amend the Master Fee Schedule and give staff direction.

RECOMMENDED ACTION

It is recommended that the Council adopt the Resolution amending the Master Fee Schedule to include the items reviewed in this report.

FISCAL IMPACT

The fiscal impact to the General Fund is estimated to be minimal, as a comprehensive update was conducted earlier this calendar year.

PUBLIC NOTIFICATION

The agenda was posted in accordance with the Brown Act. Notice for the Public Hearing was published with a 1/8 page legal ad in The Tribune on Friday, August 26, 2016. The Public Hearing notice was also posted at City Hall, the Post Office, and the Grover Beach Train Station on Friday, August 26, 2016.

Attachments

1. Resolution amending the Master Fee Schedule including Exhibit A – City of Grover Beach Master Fee Schedule.
2. 2006 Development Impact Fee Study.