



STAFF REPORT

SAUSALITO CITY COUNCIL

AGENDA TITLE

Set Public Hearing Date for Amendment of Fee Schedule for Planning Fees, Building Fees, and Code Enforcement Fines

RECOMMENDED MOTION

Direct staff to set a public hearing on September 2, 2008 for amendment of the Fee Schedule for Planning Fees, Building Fees, and Code Enforcement Fines

SUMMARY

The City's planning fees are currently "fixed" fees, while most other Marin cities use "time and materials" fees for major projects and fixed fees for minor staff-level projects. Staff recommends setting a City Council public hearing to consider amending the fee schedule to use more time and materials fees and to examine updates of the building fees and code enforcement fines.

BACKGROUND

At the City Council's Strategic Planning Session in April 2008, the Council identified a Fiscal Stability objective to adjust the planning and building fees. The adjustments must take into account recovery costs as well as fees charged by other Marin municipalities. The City Council also expressed interest in reviewing the code enforcement fines.

DISCUSSION

Planning Fees

In September 2006, the City Council approved a fee schedule which established "fixed" fees for all planning applications. The fixed fees were based upon average costs of typical projects. The schedule included a provision that if the project required more than two meetings by the applicable decision-making body, an additional fee equal to 50 percent of the original fixed fee was required.

Staff has recently surveyed the planning fees charged by eight Marin municipalities¹. The fees charged by the surveyed municipalities for major projects (e.g., plan amendments, condominium conversions, environmental reviews) are based upon time and materials costs incurred by city staff and consultants. These fee schedules

¹ Mill Valley, Corte Madera, Novato, Tiburon, San Rafael, Belvedere, San Anselmo, and Ross

Item: 6C
Meeting Date: 7-15-08
Page: 1

recognize that major projects, by their nature, are more variable in the amount of community input, planning commission discussion, and staff time. Use of a time and materials approach for major projects ensures controversial projects pay their full costs, while less controversial projects with features addressing community and neighborhood concerns require less staff time and costs. The fees charged by the surveyed municipalities for minor projects handled at the staff level (e.g., administrative design review, administrative sign permits, occupancy permits) are generally based upon fixed costs. This approach recognizes that the time spent on the minor permits is more predictable.

Staff is in the process of establishing accounting procedures for collecting, tracking, and refunding (as appropriate) deposited funds as well as recording staff time and tasks spent on projects. Staff recognizes the importance of these procedures for the effective administration of a time and materials fee program for planning fees.

Building Fees

During the City Council's review of the master fee schedule in June 2008, staff indicated that the review of building fees would be deferred until a comprehensive examination could be conducted in concert with review of the planning fees.

Staff is in the process of evaluating the various construction (e.g., building, electrical, mechanical, plumbing) permit fees, associated plan check fees, and inspection fees to ensure the fees cover the estimated reasonable costs of providing the respective services.

Code Enforcement Fines

Staff is the process of reviewing the code enforcement fines to determine if adjustments can be made to encourage prompt compliance with the *Municipal Code*. Staff will provide an oral report at the City Council meeting on the feasibility of modifying the code enforcement fines at a future date.

Amendment of Fee Schedule

Section 1.09.010 of *Municipal Code* states that the City Council may set fees by resolution. The amount of the fee "shall not exceed the estimated reasonable cost of providing the service for which the fee is charged". This section also indicates that the City Council must hold a noticed public hearing prior to approving a new or increased fee. As a result, the City Council must set a date for a public hearing on revised fees. Staff will provide a proposed fee schedule for the Council's review as part of the staff report for the public hearing.

Community Outreach

Staff will notify local developers, architects, and builders, as well as the Sausalito Chamber of Commerce, regarding the proposed fee schedule and the public hearing date.

FISCAL IMPACT

Amendment of the fee schedule will have an undermined effect on the General Fund revenues, depending upon the fee schedule approved by the City Council at a future public hearing and the nature of the project applications submitted after approval of the amended fee schedule.

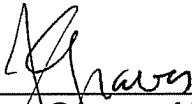
STAFF RECOMMENDATION

Direct staff to set a public hearing on September 2, 2008 for amendment of the fee schedule for planning fees, building fees, and code enforcement fines. Staff will provide a proposed fee schedule and analysis for the Council's review as part of the staff report for the public hearing.

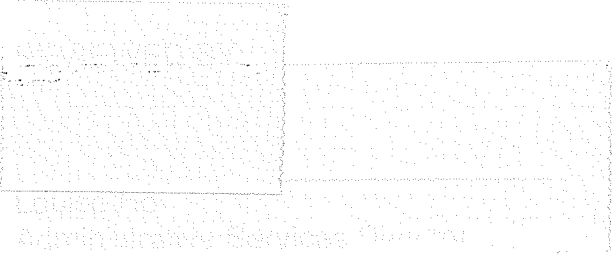
Alternatives:

1. Later Date: The City Council may direct staff to set a public hearing at a later date in order to obtain additional public input on use of a time and materials approach to planning fees.
2. No Action: The City Council may direct staff take no further action on amendment of the fee schedule. This may have negative fiscal implications if the staff study reveals that building fees are not covering the estimated reasonable costs of providing building services.

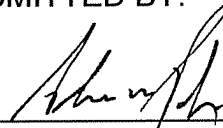
PREPARED BY:



Jeremy Graves, AICP
Community Development Director



SUBMITTED BY:



Adam W. Politzer
City Manager

