



CITY OF MARTINEZ

**CITY COUNCIL AGENDA
July 1, 2009**

TO: Mayor and City Council

FROM: Corey Simon, Senior Planner
Karen Majors, Assistant City Manager,
Community & Economic Development

SUBJECT: Establish an Installment Payment Schedule for Payment of Development Application Fees

DATE: June 24, 2009

RECOMMENDATION:

Adopt the attached resolution approving a policy that allows the City Manager to establish an installment payment schedules for development applications meeting certain criteria.

BACKGROUND:

Starting in 2006, Discovery Builders began initial discussions with the City about the potential development of a 6¾ acre parcel at 370 Muir Station Road for multi-family housing. In August 2008, Discovery Builders made application for staff level preliminary project review for an 82 unit project. After receiving staff's initial comments, the applicant indicated that a formal application for the necessary entitlements would be forthcoming.

The proposed development requires approval of a General Plan Amendment, Rezone, Use Permit for Planned Development, Vesting Tentative Map and Design Review. Based on the City's 2009/10 fee schedule, adopted on March 4, 2009, the application fees for this project were determined to \$81,490, plus an estimated \$50,000 for a consultant to prepare the required environmental documentation pursuant to CEQA.

Based on the current economic climate and the resulting impact on residential developers, Discovery Builders has requested the City of Martinez to consider allowing application fees to be paid pursuant to an "installment plan" to lessen the initial cost of starting major development applications. Based on Discovery Builder's earlier conversation with the City Manager, a formal request to the City of Martinez to consider such a plan was made on May 26, 2009, (the letter request is attached).

Staff has no objection to the concept and believes that consideration of such a program is in keeping with the City's customer service and "business friendly" philosophies. Prior to approving an individual builder's request, Staff recommends that the City Council establish a policy that will allow other developers to make a similar request.

City staff recommends that this program:

- 1) Is initiated with a letter request to the City Manager;
- 2) Be available to any residential project over 50 units;
- 3) The maximum number of installments be limited to five;
- 4) Staff and the developer will jointly determine the appropriate benchmarks for the installments based on the number and type of approvals requested.

In the case of Discovery Builders' request for an installment payment schedule, staff recommends the following:

PAYMENT TABLE PROPOSED BY DISCOVERY BUILDERS FOR
370 MUIR STATION ROAD PROJECT

(WITH STAFF RECOMMENDED *CLARIFICATIONS*)

Installment 1 (\$20,372.50)	- Initial Application Submittal
Installment 2 (\$20,372.50 + <i>full cost of anticipated environmental consultant's fee for CEQA documents</i>)	- Paid when Application being deemed complete in accordance with Subdivision Map Act
Installment 3 (\$20,372.50)	- Paid when the Administrative Draft of environmental document(s) pursuant to CEQA are completed.
Installment 4 (\$20,372.50)	- Paid on or before the end of the public comment period for Notice of Intent, and the scheduling of public hearing for project
TOTAL = \$ 81,490 + environmental consultant cost	

FISCAL IMPACT:

By adopting the proposed policy to allow an installment payment schedules, the City will not be reducing total amount of fees paid. The fiscal impact of an installment payment program is nominal.

RESOLUTION NO. -09

**A RESOLUTION OF THE CITY COUNCIL ADOPTING A POLICY
ALLOWING THE CITY MANAGER TO ESTABLISH AN INSTALLMENT
PAYMENT PROGRAM FOR RESIDENTIAL DEVELOPMENT
APPLICATION FEES ON PROJECTS WITH 50 OR MORE UNITS**

WHEREAS, Martinez Municipal Code Section 22.06.040 requires that the Community and Economic Development Department collect fees upon receipt of applications, in the amounts specified by the fee resolution of the City Council; and

WHEREAS, the Community and Economic Development has received a request from Discovery Builders asking the City of Martinez to allow the payment of such fees in an installment payment schedule for its pending application to develop a 6¾ acre site, located at 370 Muir Station Road, with 80 multi-family and two single family units; and

WHEREAS, the City wishes to assist homebuilders who are may be experiencing cash flow difficulties due to the current economic climate pursuant to the City's customer service and "business friendly" philosophies; and

WHEREAS, such financial assistance may serve to foster economic activity; and

WHEREAS, such a policy to allow installment payment schedules should be made available to other developers proposing projects with 50 or more units; and

WHEREAS, the Municipal Code or annual fee resolutions do not prelude the possibility of allowing an installment payment schedule.

NOW THEREFORE, BE IT BE RESOLVED by the City Council of the City of Martinez authorizes the City Manager to establish an installment payment schedule for payment of development application fees on projects with 50 or more units.

* * * * *

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at a Regular Meeting of said Council held on the 1st day of July, 2009, by the following vote:

AYES:

NOES:

ABSENT:

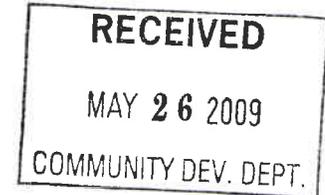
RICHARD G. HERNANDEZ, CITY CLERK
CITY OF MARTINEZ



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Concord, California 94520
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Fax (925) 689-7741

May 26, 2009

City of Martinez
Planning Department
525 Henrietta Street
Martinez, Ca 94553



Re: "The Townhomes at Laurel Knoll" -370 Muir Station Road (Subdivision 9263)
Proposed Installment Payment of Application Fees

Dear Mrs. Majors,

Pursuant to my discussion with the City Manager on May 21, 2009, Discovery Builders Inc. is proposing to structure a deferred payment plan for our application and submittal fees for "The Townhomes at Laurel Knoll". Our proposal includes application for a General Plan Amendment, Rezone, Conditional Use Permit, Design Review and Major Subdivision Vesting Tentative Map, with application fees totaling \$81,490.00. We are proposing to structure the payment of these fees over four equal installments of \$20,372.50 each. Our proposed schedule for the payment of each installment is as follows:

- | | |
|----------------|---|
| Installment 1: | Upon Initial Application Submittal |
| Installment 2: | Upon our Application being deemed complete in accordance with Subdivision Map Act Section 65920 |
| Installment 3: | Upon Completion of an Initial Study and issuance of Draft Mitigated Negative Declaration for the applicants review and comment prior to circulation |
| Installment 4: | On or before the end of the comment period of Notice of Intent to Adopt a Mitigated Negative Declaration and scheduling of a public hearing to consider our project |

Included with this letter you will find a breakdown of the fees that are applicable to our project which have been previously discussed with our project planner, Corey Simon.

We sincerely appreciate the City's consideration of our proposal given the current economic climate and market conditions. We are looking forward to processing the entitlements for this project and continuing to work with City Staff.

If City Staff is amenable to our proposed structure for a deferred payment plan, we would request that you provide Discovery Builders with a letter of confirmation that this is an acceptable fee structure.

Thank you in advance for your time and consideration of this proposal. Please do not hesitate to contact me if you should have any questions or concerns.

Best regards,

A handwritten signature in black ink, appearing to read 'J Seeno', with a large, stylized flourish at the end.

Jackie Seeno
Discovery Builders, Inc.

Cc: Sal Evola
Phil Vince
Corey Simon

“Muir Station” GP/RZ/PUD/VTM/DR – City of Martinez FEES - 2009.04.03

Ia. PLANNING - APPLICATION FEES:

a)	Major Sub VTM ” \$5,945+\$210/“unit” (82 units) [“greater” fee]	\$23,165
b)	General Plan Amendment = \$7,500 (x 0.5)	\$ 3,750
c)	Rezoning = \$5,000 (x 0.5)	\$ 2,500
d)	Design Review for Planned Unit Development = \$5,000 (x 0.5)= \$3,225 (x 0.5)	\$ 2,500
e)	Use Permit for Planned Unit Development = \$1,460 (x 0.5)	\$ 730

PLANNING APPLICATION SUBTOTAL \$32,645

Ib. PLANNING - INITIAL ENVIRONMENTAL REVIEW FEE:

- Expanded Initial Study/Mitigated Negative Declaration \$ 2,770*
*(initial fee only covers City’s internal document preparation; actual IS costs to include costs of portions to be prepared by consultants – including but not limited to visual simulations and traffic studies- costs to applicant will be consultants’ charges + City’s administrative fee of 25% x consultant’s fee) **

Ic. PLANNING - DEPOSIT FOR NOTICING/POSTAGE:

- Estimate of 3 “¼ mile radius” mailings. Actual charges to be \$ 1,000**
*\$125/hr + postal charges. ***

(PLANNING SUBTOTAL) \$36,415

II ENGINEERING FEES (DUE AT PLANNING STAGE)

a)	Major Subdivision \$3,135+\$420/“unit” (82 units)	\$37,575
b)	Peer Review of soils report (\$5,000 initial deposit)	\$ 5,000

(ENGINEERING SUBTOTAL) \$42,575

III CITY ATTORNEY

- As a GPA/Rezone, City Attorney review time will be substantial at \$ 2,500
the entitlement stage. An initial \$2,500 initial deposit is requested at time of application

(CITY ATTORNEY - initial deposit - SUBTOTAL) \$ 2,500

FEES DUE AT TIME OF APPLICATION \$81,490*

* **Note,** Applicant’s total cost for Initial Study preparation, with portions by consultant of City’s choosing, is estimated to be approximately \$30,000 - \$50,000.