



CITY OF MARTINEZ

**CITY COUNCIL AGENDA
December 15, 2010**

TO: Mayor and City Council
FROM: Michael Chandler, Senior Management Analyst
Kathy DeVries, Information Systems Specialist
SUBJECT: Amend User Fee Schedule
DATE: December 10, 2010

RECOMMENDATION:

Conduct a public hearing to consider changes to the City’s Fee Schedule to include a Technology Fee.

BACKGROUND:

The City recently implemented a software upgrade to streamline processing and tracking of various Building, Planning, and Engineering permits. This software upgrade will help automate workflow; track information; and manage data from a centralized database. Greater efficiencies will be realized through easier access to project information by City staff across different departments. The annual cost to the City associated with fully utilizing the software system is estimated to be \$19,399, which includes annual maintenance, customization, support, and Web hosting, and allows for future plans for wireless/remote connectivity to support in-the-field inspections. The City is recommending a flat fee of \$15 per various permit applications to help recover these costs.

State law authorizes a public agency to charge up to the full cost of providing a service for most user fees. To determine what fee should be charged to help the City recover its costs related to the new software implementation, City staff evaluated a number of aspects, and determined that “point of origin” permit services (that is, permit services that require putting the project information into the software system uniquely as part of the fee-based service) should also include a cost recovery “Technology Fee.” These point-of-origin fee-based services include all Building Permit applications, which include permits in the New Construction, Miscellaneous, Mechanical, Plumbing, and Electrical categories, and a number of Planning services, including Design Review, General Plan Amendment, Lot Line Adjustment, Major Subdivision, Minor Subdivision, Planned Unit Development, Rezoning, Use Permit, Variance, Zoning Amendment, Zone Compliance Letter, and Tree Removal Permit.

Several of the aforementioned Planning projects may require additional Planning services and/or migrate to Engineering for additional review as the project develops, but only the initial project input is considered when applying the Technology Fee to avoid double charging the customer. An example would be a commercial building that requests a variance – but may at a later time require Design Review – will only be charged one Technology Fee, at the point at which the project is entered into the system.

Staff evaluated the previous five years of data on the applicable permits and determined the average number of permits subject to the Technology Fee per year, excluding the high and low permit years over the five year period for statistical smoothing purposes. The average number of Building permit applications processed per year was 1,274, and the average number of applicable Planning permits processed per year was 81, for a total of 1,355 permits per year. The calculation for determining the Technology Fee to be charged is the projected annual City costs of \$19,399, divided by the projected annual permits of 1,355 per year. For ease of implementation, the fee will be rounded to a flat \$15.

Adoption of the aforementioned Technology Fee will go into effect on February 15, 2011.

FISCAL IMPACT:

Cost recovery from adopting the Technology Fee is expected to generate revenue sufficient to recover approximately \$5,000 - \$6,500 of the associated software costs in FY 2010-11, given the fee will not become effective until the latter third of this fiscal year.

ACTION:

Motion adopting a resolution amending the Schedule of Fees for City Services to include a Technology Fee.



APPROVED BY: City Manager

Attachments: Resolution, City Fee Schedule Pages 2 and 9

RESOLUTION NO. xxx-10

**AMENDING THE SCHEDULE OF FEES FOR CITY SERVICES
TO INCLUDE A TECHNOLOGY FEE**

WHEREAS, it is the policy of the City Council of the City of Martinez to establish fees in regard to governmental services specifically authorized by statute or ordinance as well as certain services and functions performed by the City in a proprietary capacity; and

WHEREAS, it has been the policy of the City Council of the City of Martinez to review and adjust the fees periodically to ensure they are equitable and justifiable; and

WHEREAS, the City wishes to adopt the recommended "Technology Fee" user fee or service charge in the amount set forth in the attached Building and Planning Fee sections from the Schedule of Fees for City Services; and

WHEREAS, this Technology Fee is for the purpose of recovering the City's costs related to annual maintenance, customization, support, and Web hosting, and allows for future plans for wireless/remote connectivity to support in-the-field inspections; and

WHEREAS, the software supported by the Technology Fee will help automate workflow, track information, and manage data from a centralized database, thereby creating greater efficiencies for City staff across different departments; and

WHEREAS, notice was published and sent to interested parties as required by Government Code sections 6062(a) and 66016, respectively; and

WHEREAS, on December 15, 2010, the City Council held a public hearing in compliance with Government Code Sections 66016(a) and 66018 where all oral and written presentations were heard.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Martinez adopts the proposed fees set forth in the attached and incorporated pages from the Building Fee Schedule and Planning Fee Schedule, amending pages 2 and 9 of the City's Schedule of Fees for City Services.

BE IT FURTHER RESOLVED THAT this Resolution shall become effective on February 15, 2011, pursuant to Government Code Section 66017.

* * * * *

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 15th day of December, 2010, by the following vote:

AYES:

NOES:

ABSENT:

RICHARD G. HERNANDEZ, CITY CLERK
CITY OF MARTINEZ

BUILDING FEE SCHEDULE

Fees effective July 1, 2009

VALUATION-BASED FEES

	Fee Schedule	
GENERAL BUILDING PERMIT FEES VALUATION THRESHOLD	BASE FEE	INCREMENT PER \$1,000
\$1 - 1,500	\$77	\$0.00
\$1,501 - 2,000	\$98	\$0.00
\$2,001 - 25,000	\$149	\$30.28
\$25,001 - 50,000	\$845	\$21.85
\$50,001 - 100,000	\$1,392	\$15.14
\$100,001 - 500,000	\$2,149	\$12.12
\$500,001 - 1,000,000	\$6,995	\$10.27
\$1,000,001 or greater	\$12,131	\$6.80
GENERAL BUILDING - PLAN REVIEW	38% of Building Permit Fee	
PLAN CHECK - ENERGY CALCS (TITLE 24)	Additional 25% of Plan Review Fee	

(Notes 1-3 below are per the Economic Stimulus Program adopted on September 15, 2010. Fees listed in table above do not include discounts referenced in notes 1-4):

1. Seismic retrofits of URM properties will be given a 75% discount on the listed Building Permit fees in effect from September 15, 2010 through March 15, 2012. (per Resolution No. 093-10)
2. Non-URM commercial tenant improvement and rehabilitation projects will be given a 50% discount on the listed Building Permit fees in effect from September 15, 2010 through March 15, 2012. (per Resolution No. 093-10)
3. New Single Family Residential (SFR) and commercial projects will be given a 50% discount on the listed Building Permit fees in effect from September 15, 2010 through March 15, 2012. (per Resolution No. 093-10)
4. Furnace or fireplace conversions from wood-burning to gas, and any associated plumbing, will be given a 50% discount on the listed Building Permit fees in effect. (per Resolution No. 036-08)
5. Effective February 15, 2011, a \$15 Technology Fee will be charged for each permit or project application. (per Resolution No. xxx-10)

CALIFORNIA BUILDING STANDARDS COMMISSION FEE

Fees effective January 1, 2009 (Resolution No. 101-08)

Building Permit Project Valuation	Fee
\$1 - \$25,000	\$1
\$25,001 - \$50,000	\$2
\$50,001 - \$75,000	\$3
\$75,001 - \$100,000	\$4
Every \$25,000 or fraction thereof above \$100,000	Add \$1

Note: This State-mandated fee resulted from the passage of Senate Bill 1473, effective January 1, 2009. The fee applies only to Building permits (not electrical, plumbing, or HVAC) and creates the Building Standards Administration Special Revolving Fund, which will be used for the State's Green Building programs. The City remits the fee quarterly to the California Building Standards Commission and retains 10% of the fees collected for administrative costs as allowed by SB 1473.

PLANNING FEE SCHEDULE

Fees effective July 1, 2009

Service	Fee Schedule
Environmental Review: initial study / negative declaration	\$1,695
Environmental Review: expanded initial study / mitigated negative declaration	\$2,865
Environmental Review: EIR	\$1,285
Environmental Review: mitigation monitoring	\$2,855
Environmental Review: special studies	\$2,855
Environmental Review: State Dept of Fish & Game	\$7,812
Unspecified Site Visit (cost per hour)	\$130
Planner time over 30 minutes	\$130
Technology Fee (see Note 4 below)	\$15

Notes:

1. At the discretion of the Assistant City Manager, an hourly rate may be charged for any service.
2. Fees for peer review or consultant plan check shall be at actual cost plus 25% overhead charge.
3. Fee listed above for Environmental Review: State Department of Fish & Game, is effective January 1, 2010, and represents a direct pass through of various State and County fees that includes numerous components such as: Negative Declaration; Mitigated Negative Declaration; Environmental Impact Report; Environmental Document pursuant to a Certified Regulatory Program; and County Clerk Processing Fee. This Fee does not include any City administrative costs, and is subject to change upon notice from the State and County.
4. Effective February 15, 2011, a \$15 Technology Fee will be charged for applications requiring Design Review, General Plan Amendment (Text and/or Map), Lot Line Adjustment, Major Subdivision, Minor Subdivision, Planned Unit Development, Rezoning (Text and/or Map), Use Permit, Variance, Zoning Amendment, Zone Compliance Letter, or Tree Removal Permit services. This fee will only be charged once per project.