

STAFF REPORT*CITY OF OCEANSIDE*

DATE: June 22, 2011
TO: Honorable Mayor and City Councilmembers
FROM: Development Services Department
SUBJECT: **ADJUSTMENT OF DEVELOPMENT-RELATED FEES**

SYNOPSIS

Staff recommends that the City Council adopt resolutions to reduce Comprehensive Sign Package development processing fees; reduce water heater building permit issuance fees; and correct the General Plan Update surcharge fee; thereby amending associated fee schedules as outlined in attachments.

BACKGROUND

On March 2, 2011, the City Council adopted revised development processing fee schedules for Planning and Engineering and established fees for building permits, inspections and other services. At that time the City Council also directed staff to investigate in more detail Coastal Development Permit and Comprehensive Sign Package discretionary review fees to ensure these fees do not exceed full-cost recovery for services rendered, and explore the possibility of further subsidizing water heater permit fees to encourage permitted and safe installations.

ANALYSIS**Coastal Development Permit Fee:**

Pursuant to the Oceanside Coastal Permit Handbook/Local Coastal Program, all projects within the City's coastal zone which are not exempt, categorically excluded or subject to California Coastal Commission review are subject to the coastal permit review process (Administrative Coastal Permit or Regular Coastal Permit). A development proposal is subject to Administrative Coastal Permit review when a public hearing or other discretionary action by a board/commission is not required and the project is "not appealable". Regular Coastal Permit review is required if a project is subject to a hearing or discretionary action and the project is "appealable".

Coastal permit review fees are currently set at \$2,735 and \$4,000 for Administrative Coastal Permits and Regular Coastal permits respectively. These fees correspond to estimated costs for services rendered.

Fees charged by other jurisdictions north of San Diego vary greatly based on the level of subsidy and extent of required review set forth by each jurisdiction (multiple discretionary applications versus single entitlement application review). The following table provides an overview of the coastal permit fees for the cities of Carlsbad, Encinitas, Solana Beach, and Del Mar in comparison with those of Oceanside.

City	Coastal Permit Fee	Other details
Oceanside	\$2,735 - \$4,000	Fees correspond to estimated cost of service/complexity of development proposal
Carlsbad	SFD \$999 2-4 DU - \$2,024 5 or more - \$3,295 Non-residential \$897+.1- sq. ft.	Approx. 50% service cost subsidy (e.g., Actual SFD processing cost \$2057)
Encinitas	\$1,600+ DRC fee DRC - \$1,000 - \$3,600	Appx. 50% service cost subsidy SFDs and commercial projects less than 500 sq. ft. exempt from DRC
Solana Beach	SFD - \$3,030 Other - \$6,058	
Del Mar	\$940 + DRB fee DRB - \$2,400 - \$5,400	

As seen on the table above, once service subsidies and/or additional fees imposed by other jurisdictions are factored in, Oceanside's coastal permit fees correspond to service costs rendered and are comparable with those of other jurisdictions in the area. Therefore, staff recommends no change to the recently approved coastal permit fees.

Comprehensive Sign Package Fee:

Buildings or building complexes containing three or more uses are required to have in place an approved Comprehensive Sign Package prior to issuance of the first sign permit. Comprehensive Sign Packages are subject to administrative action by the City Planner or Redevelopment Manager and a processing fee of \$2,373.

City Council's concerns about an apparent discrepancy in fees charged for sign program review in comparison with those charged by other cities in the surrounding region are addressed at a glance in the following table:

City	Sign Program Permit Fee	Other details
Oceanside	\$2,373	Admin. Approval - Full cost-recovery rate
Carlsbad	\$949	Admin. Approval - 25% fee subsidy
Encinitas	\$800	Admin. Approval/ 50% fee subsidy
Solana Beach	\$287 (4 signs or less) \$574 (more than 4 signs)	Admin. Approval
Del Mar	\$ 340 - \$1,550	Admin. Review - If sign program meets code requirements (over the counter)

In reviewing time estimates used to establish full-cost recovery, it appears that assumptions were that typical applications would be both complex and controversial. While potential for complexity and controversy exists, it is typically not the case. In addition, the number of management staff reviewing the *Comprehensive Sign Package* has now been reduced by 50 percent. Therefore, staff recommends that the fee for a Comprehensive Sign Package be reduced to \$1,200, a 49.4 percent fee reduction, based on an average of 12 hours of sign package review at a blended hourly rate of \$100.

Water Heater Building Permit:

On March 2, 2011, the City Council approved water heater permit/inspection fees (\$85/permit) with a 51 percent service cost subsidy. This staff-recommended fee was intended to encourage water heater building permits/inspections requests, thereby ensuring safe water heater installations in compliance with applicable codes.

Subsequent to the meeting, upon Council’s direction, staff analyzed the feasibility of additional water heater permit fee reductions. Staff’s research confirmed the following:
 a) The recently adopted fee is comparable with fees charged by most coastal cities in north San Diego county except from Carlsbad;

City	Water Heater Fee	Other Details
Oceanside	\$85	51% subsidy
Carlsbad	\$27	Increase pending
Encinitas	\$136	
Solana Beach	\$100	
Del Mar	\$100	

b) The number of water heater permits issued annually represents a very small percentage (approximately .79 percent) of the total number of Oceanside household units;

c) Based on SANDAG’s household unit forecast for 2015 (67,605 units) and anticipated increase of water heater permits (to approximately 1 percent of household units), a permit fee reduction from \$85 to \$50 would result in an anticipated revenue loss in the range of \$14,560 - \$23,660 annually.

Per Council direction, it is recommended that water heater fees be reduced to \$50.

General Plan Update Surcharge:

A 10 percent General Plan Update surcharge on building permits was approved by the City Council in March 2011 (Resolution No. 11-R0156A-1). Subsequently, during staff’s fee schedule review, a minor typographical error in the Building Fee schedule attachment of the adopted resolution was discovered. Staff has corrected the fee schedule to accurately reflect the approved surcharge as a percentage of the building/inspection permit fee rather than a plan check fee and recommends adoption of the updated Building Fee Schedule.

FISCAL IMPACT

The Fee/Nexus Study prepared by Matrix Consulting Group makes clear that there are some services that may justify a General Fund subsidy. A subsidy to the water heater building fee is one that City Council may consider based on overriding considerations of health and safety. The anticipated reduction to revenue is \$14,560 - \$23,660 annually.

A reduction to the approved Comprehensive Sign Package fee is proposed to ensure that recovery rates would not exceed full-cost recovery for services rendered. The estimated annual revenue loss is \$5,865.

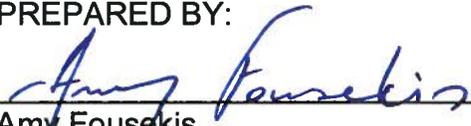
CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

Staff recommends that the City Council adopt resolutions to reduce Comprehensive Sign Package development processing fees; reduce water heater building permit issuance fees; and correct the General Plan update surcharge fee; thereby amending associated fee schedules as outlined in attachments.

PREPARED BY:

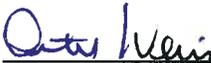


Amy Fousekis
Principal Planner



George Buell
Development Services Director

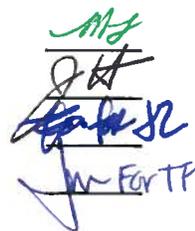
SUBMITTED BY:



Peter A. Weiss
City Manager

REVIEWED BY:

- Michelle Skaggs-Lawrence, Deputy City Manager
- Jerry Hittleman, City Planner
- Jim Zicaro, Chief Building Official
- Teri Ferro, Financial Services Director



Attachments:

1. Resolution establishing fees for permits, inspections and other services provided by the Building Division
2. Resolution adopting revised user fee schedules for development processing fees for Planning and Engineering

1 RESOLUTION NO.

2 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
3 OCEANSIDE ESTABLISHING FEES FOR PERMITS, INSPECTIONS
4 AND OTHER SERVICES PROVIDED BY THE BUILDING DIVISION
5 PURSUANT TO CHAPTER 6 OF THE CODE OF THE CITY OF
6 OCEANSIDE

7 WHEREAS, Chapter 6 of the Code of the City of Oceanside establishes requirements
8 for building, plumbing, electrical, mechanical, and related building construction activity
9 permits and inspections; and

10 WHEREAS, pursuant to Chapter 6, Section 6.3 of the Code of the City of Oceanside, the
11 City Council is authorized to establish the fees required for issuance of any permit, review of
12 any plan, conduct of any investigation, or provision of any related service by the Building
13 Division; and

14 WHEREAS, on March 2, 2011, the City Council held a duly noticed public hearing to
15 consider the adoption of such fees, and

16 WHEREAS, during such public hearing, after reviewing the evidence presented,
17 including staff reports, a comprehensive fee study, and oral and written presentations from the
18 public, the City Council determined that the proposed fees do not exceed the estimated
19 reasonable cost of providing the services for which the fee is to be charged and approved said
20 fees, and

21 WHEREAS, on June 22, 2011, after a duly noticed public hearing, the City Council
22 considered a reduction to the water heater building fee and a correction to the General Plan
23 Update surcharge fee table.

24 NOW, THEREFORE, the City Council of the City of Oceanside does resolve as follows:

25 SECTION 1. The portions of the fee schedule set out in Resolution 11-R0156A-1 which
26 refer to the water heater building inspection fee and the General Plan Update surcharge fee is
27 hereby superseded and shall be as set forth in the attached Fee Schedules, upon adoption.

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PASSED AND ADOPTED by the City Council of the City of Oceanside, California,
this _____ day of _____, 2011, by the following vote:

AYES:
NAYS:
ABSENT:
ABSTAIN:

MAYOR OF THE CITY OF OCEANSIDE

ATTEST:

APPROVED AS TO FORM:

City Clerk



City Attorney

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OCEANSIDE
ESTABLISHING FEES FOR PERMITS, INSPECTIONS AND OTHER SERVICES
PROVIDED BY THE BUILDING DIVISION PURSUANT TO CHAPTER 6 OF THE
CODE OF THE CITY OF OCEANSIDE

Building Fee Schedule Effective 6-22-2011

Mechanical, Plumbing and Electrical Items

Fee #	Fee Title	Plan Check Fee	Inspection Fee	Total Fees	Recommended Fee
1	RESIDENTIAL PROJECTS (Single Family and Duplex)				
2	Administrative (Base) Fees	\$ 30.32		\$ 30.32	
6	Simple M.P.E. Permits		\$ 174.87	\$ 174.87	
37	Complex M.P.E. Permits	\$ 375.17	\$ 442.66	\$ 817.83	
	Water Heaters		\$ 174.87	\$ 174.87	\$50
60	COMMERCIAL PROJECTS (Multi-family & Commercial)				
65	Simple M.P.E. Permits	\$ 100.07	\$ 526.58	\$ 626.65	
90	Complex M.P.E. Permits	\$ 893.31	\$ 556.90	\$ 1,450.21	
	SOLAR PHOTOVOLTAIC SYSTEMS				
	Solar Photovoltaic (Residential)	\$ 183.02	\$ 338.86	\$ 521.88	\$300
	Commercial Base Fee (up to 100 kw)	\$ 893.31	\$ 556.90	\$ 1,450.21	
	Over 100 kw - add the following per kw to base fee	\$ 13.57	\$ 5.60	\$ 19.17	

Surcharges

Fee #	Fee Title	Plan Check Fee	Inspection Fee	Recommended Fee
	SURCHARGES			
	Imaging Surcharge			
	Each Permit	n/a	n/a	\$ 5.00
	Each Sheet of Plans	n/a	n/a	\$ 1.00
	General Plan Update - applies to new construction only		10% Surcharge	Varies
	Technology Update		2% surcharge	Varies

1 RESOLUTION NO.

2 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
3 OCEANSIDE ADOPTING REVISED USER FEE SCHEDULES FOR
4 DEVELOPMENT PROCESSING FEES FOR PLANNING AND
ENGINEERING

5 WHEREAS, on March 2, 2011, the City Council of the City of Oceanside did conduct a
6 duly noticed public hearing and approved revisions to the Development Processing Fees
7 schedules for Planning and Engineering;

8 WHEREAS, the City Council did hear all persons desiring to speak either in favor of, or
9 in opposition to, the revisions of such fees; and

10 WHEREAS, the purpose of the Development Processing Fees is to provide a fair
11 mechanism for defraying public costs associated with the actual costs of constructing private
12 development; and

13 WHEREAS, on June 22, 2011, after a duly noticed public hearing, the City Council of
14 the City of Oceanside considered a reduction to the previously approved sign permit fees for
15 Comprehensive Sign Package review to ensure that recovery rates would not exceed full-cost
16 recovery for services rendered;

17 NOW, THEREFORE, the City Council of the City of Oceanside does resolve as follows:

18 SECTION 1. The portion of the fee schedule set out in Resolution 11-R0156-1 which
19 refers to Sign Permits is hereby superseded and shall be as set forth in the attached Fee
20 Schedules, upon adoption.

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1 PASSED AND ADOPTED by the City Council of the City of Oceanside, California,
2 this _____ day of _____, 2011, by the following vote:

- 3 AYES:
- 4 NAYS:
- 5 ABSENT:
- 6 ABSTAIN:
- 7

8 MAYOR OF THE CITY OF OCEANSIDE

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10 ATTEST:

APPROVED AS TO FORM:

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12 _____
13 City Clerk

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16 City Attorney

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18 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OCEANSIDE ADOPTING
19 REVISED USER FEE SCHEDULES FOR DEVELOPMENT PROCESSING FEES FOR
20 PLANNING AND ENGINEERING
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Planning Fee Schedule

Effective June 22, 2011

Fee No	Fee Name	Fee Type & Amount
	<i>General Plan Amendments</i>	
1	Less than 10 acres	\$ 9,234
2	10 to 100 acres	Deposit Account
3	100 acres or more	Deposit Account
	<i>Zoning Amendments</i>	
4	less than 10 acres	\$ 7,424
5	10 to 100 acres	Deposit Account
6	100 acres or more	Deposit Account
7	<i>Zoning Overlay/Specific Plan</i>	Deposit Account
8	<i>Conditional Use Permits</i>	\$ 4,503
	Telecom / Wireless Conditional Use Permits	Deposit Account
	Administrative Conditional Use Permits	\$ 3,152
9	<i>Variance</i>	\$ 4,000
	<i>Development Plan Review</i>	
11	less than 10 acres	\$ 6,435
12	10 to 100 acres	Deposit Account
13	100 acres or more	Deposit Account
	<i>Administrative Development Plan Review</i>	\$ 4,838
14	<i>Time Extension of Previously Approved Discretionary Projects</i>	\$ 1,600
	<i>Revision or Amendment to Previously Approved Discretionary Projects</i>	50% of a new application
15	<i>Comprehensive Sign Package</i>	\$ 1,200
	<i>Tentative Parcel Map</i>	
16	Residential Development Plan Base Fee < 4 lots + \$141/lot	\$ 3,089
17	Commercial / Industrial	\$ 3,089
18	Mixed Use	\$ 3,089
	<i>Tentative Subdivision Map - Base Fee + \$316 lot</i>	
20	5 - 10 lots	Deposit Account
21	11 - 20 lots	Deposit Account
	> 20 lots	Deposit Account
22	<i>Development Agreement</i>	Deposit Account
	<i>Environmental Review Fees</i>	
23	Full Review Focused/Per Review Assessment	Deposit Account
24	Mitigated Negative Declaration	Deposit Account

Fee No	Fee Name	Fee Type & Amount
24	Negative Declaration	Deposit Account
25	Certificate of Exemption Street Vacation	\$ 153 \$ 150
26 27	<i>Coastal Development Permits</i> Admin Application Regular Application	\$ 2,735 \$ 4,000
28	Street Name Assignment	\$150 each Street
31	Addresses - \$20 per address	\$75 each Address
34	Substantial Conformity	\$ 300
35	Appeal of City Planner's Decision	\$ 1,750
36	Appeal of Planning Commission Decision to the City Council	\$ 1,750
	Additional Review (Applies when more than 2 staff reviews are required on discretionary applications)	15% of initial fee
37	Review of Building Permits	\$150
38	Business License Review	\$0
39	Outdoor Activities / Special Events	\$150
40	Child Care > 14 children	\$950
41	Historic Application	\$500
42	ABC License Review - per unit	\$150
43	Developers Conference	\$200
	Research Fee	\$50/ half hour