

DATE: May 13, 2011

TO: Mayor and City Council Members

FROM: Community Development Department

**SUBJECT: RESOLUTION NO. 8837 – A RESOLUTION AMENDING RESOLUTION NO. 8801 TO INCLUDE PLANNING FEES INADVERTENTLY OMITTED FROM THE PLANNING SERVICE FEE SCHEDULE AND TO PROVIDE FOR INFLATIONARY ADJUSTMENTS FOR PREVIOUSLY ESTABLISHED PLANNING FEES**

**BACKGROUND /ISSUE**

On March 8, 2011, the City Council approved Resolution No. 8801 that converted planning fees into deposits, as well as established new fees for planning services review of building permits and for the state-mandated review of residential landscaping. Prior to this action, the Planning Department Service Fees were last updated in October 2008 with City Council approval of Resolution No. 8301. The fees updated at that time generally reflected the average cost to provide development application processing services. However, certain planning fees specifically authorized in the Folsom Municipal Code, 3.50.040 were inadvertently omitted from the planning fee schedule that are necessary to process development applications requested by the public.

Specifically, the purpose of this planning fee clean-up effort is to:

1. Include planning service fees for *Home Occupation Permits*, *Site Design Review* applications, requests for *An Opinion on a Planning Matter* as provided for by FMC Section 3.50.040 (Nos. 8, 10 & 39 respectively). These fees are proposed to be reestablished at the rate in effect in 2008 when inadvertently omitted.
2. Establish a fee for *Landmark Tree Applications* as provided for by FMC Section 12.16.170.
3. Provide for the inflationary adjustment to fees approved by Resolution No. 8744 for the *Conditional Use Permit Modification* fee; for Resolution No. 8698 for the *Unattended Donation Box* fee and for Resolution No. 4927 relative to various *Sign Permit* fees.

**POLICY / RULE**

Folsom Municipal Code (FMC) Section 3.50.020 directs the City Manager to recommend to the Council the adjustment of fees and charges to recover the percentage of costs reasonably borne in providing the regulation, products or services enumerated in Chapter 3.50.

Folsom Municipal Code Section 3.50.030 provides direction on calculating “costs reasonably borne” to include the following elements: direct costs (wages, overtime, benefits, overhead, etc), indirect

costs (building maintenance, computers, printing, etc.), fixed assets, general overhead, department overhead, and any debt service costs.

Folsom Municipal Code Section 3.50.040 requires fee adjustments be approved by the City Council. It also specifies the percentage of City service costs to be recovered through fees. The majority of Planning Service Fees are directed to be 100% cost recoverable through its fee structure. Building Permit fees are also directed to be 100% cost recovered.

According to Government Code, Section 66014 a fee may not exceed the estimated reasonable cost of providing the service.

### ANALYSIS

As previously mentioned there were four minor planning service fees that were inadvertently omitted from the 2008 planning fee update or not included on the Master Fee Schedule in subsequent fee establishment resolutions. Of these four, only one (Conditional Use Permit Modification fee) will be a deposit based fee. The remaining will be the full processing fee collected for the service rendered.

The followings fees were inadvertently omitted from the 2008 update:

#### Home Occupation Permit Fee

The Home Occupation Permit is required for individuals who propose to conduct business in a residential area. There are 8 conditions that must be met to approve such a request. The nominal \$26 permit fee covers staff time that it takes to verify that these required conditions are met and that the type of business proposed will not alter the residential area in which it would be located. Some such requests require staff to contact other City departments or outside agencies to verify the proposed business has the appropriate licenses to conduct the requested business.

#### Site Design Review Fee

The Site Design Review application is a common request for planning staff to review a proposal to modify a developed site to verify that the proposal is in conformance with the Folsom Municipal Code and other pertinent regulations. The fee previously established for this service in 1993 is \$250. A request of this type is for projects that are minor in nature and do not require Planning Commission approval. This type of request requires staff to review proposed plans, perform a site inspection, coordinate with other city departments and prepare an approval letter to the applicant.

#### Opinion on a Planning Matter Fee

The Opinion on a Planning Matter is intended to address atypical requests as provided for by FMC Section 3.50. The fee previously established in 1993 for this service is \$220. For example, planning staff occasionally receives requests to research the history of specific property's entitlements to determine if a specific modification or request is allowed. This involves a detailed review of the project approvals, environmental documents and any public records or minutes to respond to the request.

The following fee is to be established per FMC 12.16.040:

### Landmark Tree Review

Applications may be submitted to the Community Development Department to establish Landmark Trees as provided for under Section 12.16.090 of the Folsom Municipal Code. The Tree Preservation Ordinance requires that these applications be reviewed by the Community Development Department and submitted for approval by the City Council. Section 12.16.170 of the Folsom Municipal Code enables the City Council to establish a fee for this service. A proposed fee of \$250.00 is recommended to cover staff time to evaluate the application, perform an arborist inspection and the necessary City Council Staff reports to bring these requests to the City Council for consideration.

The following fees are proposed to be included in the Master Fee Schedule in order for them to be subjected to inflationary adjustments:

### Conditional Use Permit Modification (Deposit)

Resolution No. 8744 approved by the City Council on October 12, 2010 provided a fee (\$1,405) for a Conditional Use Permit Modification. Because this fee was not placed on the Master Fee Schedule it is not currently subject to inflationary adjustments. This fee will be a deposit consistent with other similar entitlements.

### Unattended Donation Box Fee

Resolution No. 8698 approved by the City Council on July 13, 2010 provided for a fee (\$168 plus \$42 for renewal) for Unattended Donation Boxes. Because this fee was not placed on the Master Fee Schedule it is not currently subject to inflationary adjustments.

### Sign Permit Fees

Sign permit fees were established by the City Council with approval of Resolution No. 4927 in 1996. These fees are not currently subject to inflationary adjustments as opposed to the other more significant planning entitlement fees. By amending the Planning Service Fee Schedule to include these previously approved fees it will provide for the inflationary adjustment consistent with all of the remaining planning fees.

The sign permit categories are as follows:

1. Off-site signs for Weekend Directional Signage (\$150)
2. Uniform Sign Program (\$250)
3. Sign Permit Extension (\$50)
4. Temporary Sign Permit (\$10)

### FINDINGS

Staff recommends the planning fees be included to enable staff to continue to provide planning services for these requests at a cost which will not exceed the reasonable cost of providing the service. Staff has concluded that these fees are reasonable given the staff time required to perform the request for these specific services. Staff has researched jurisdictions in the region to compare the proposed new fees with what is being charged in the region. Proposed fees for these services are at

the low end of the range as shown in the table below, compared to jurisdictions in the Sacramento region, including Roseville, Rancho Cordova, Elk Grove, West Sacramento and Sacramento.

	<b>Opinion on Planning Matter</b>	<b>Site Design Review</b>	<b>Landmark Tree</b>
<b>Folsom (proposed)</b>	\$220	\$250	\$250
<b>Elk Grove</b>	\$1,111	\$2,356	N/A
<b>Rancho Cordova</b>	\$397	N/A	N/A
<b>Roseville</b>	\$73	\$102	N/A
<b>Sacramento</b>	\$140 per hour	\$500 to \$1,400	N/A
<b>West Sacramento</b>	\$600	\$1,000	N/A

In addition, adding the Conditional Use Permit Modification fee, the Unattended Donation Box fee and the Sign Permit fees to the Master Fee Schedule will enable these fees to be adjusted consistent with all of the other planning service fees for inflation. The City may adjust the User Fees annually on July 1st by an escalation factor to reflect the cost of inflation using the *US Bureau of Labor Statistics & CA Department of Finance CPI-West Urban Consumers, all items, San Francisco CMSA*, Annual amount as of December of the previous calendar year.

**FINANCIAL IMPACT**

Including minor planning fees will allow the City to more accurately cover the actual costs for development permits from the applicants. Although the actual savings to the General Fund cannot be quantified, this proposal will result in a positive impact to the General Fund and will enable the Community Development Department to more accurately cover costs associated with minor development review requests consistent with the mandate set forth in Chapter 3.50 of the Folsom Municipal Code.

**ENVIRONMENTAL REVIEW**

This Resolution is categorically exempt from the California Environmental Quality Act under Public Resources Code §21080, sub. (b)(8) and CEQA Guidelines §15273, establishment, modification, structuring or approval of rates, tolls fares, or other charges by public agencies which the public agency finds are for the purpose of meeting operating expenses. The modification of permit fees does not have a potential environmental impact upon the environment so the proposal does not constitute a project under CEQA.

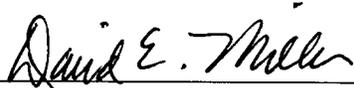
**ATTACHMENTS**

1. Resolution No. 8837 – A Resolution Amending Resolution No. 8801 to Include Planning Fees Inadvertently Omitted from the Planning Service Fee Schedule and to Provide for Inflationary Adjustments for Previously Established Planning Fees.
2. Resolution No. 8801 –A Resolution Modifying Resolution No. 8301 as Shown in the Attached Fee Schedule and Directing Staff to Implement a Program for Full Cost Planning Service Fees.

**RECOMMENDATION/CITY COUNCIL ACTION**

Staff respectfully requests that the City Council adopts Resolution No. 8837 – A Resolution Amending Resolution No. 8801 to Include Planning Fees Inadvertently Omitted from the Planning Service Fee Schedule and to Provide for Inflationary Adjustments for Previously Established Planning Fees

Submitted,



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David E. Miller, AICP  
Community Development Director

ATTACHMENT 1  
Resolution No. 8837

**RESOLUTION NO. 8837**

**A RESOLUTION AMENDING RESOLUTION NO. 8801 TO INCLUDE PLANNING FEES INADVERTENTLY OMITTED FROM THE PLANNING SERVICE FEE SCHEDULE AND TO PROVIDE FOR INFLATIONARY ADJUSTMENTS FOR PREVIOUSLY ESTABLISHED PLANNING FEES**

**WHEREAS**, Folsom Municipal Code Section 3.50.020 directs the City Manager to recommend to the Council the adjustment of fees and charges to recover the percentage of costs reasonably borne in providing the regulation, products or services as enumerated in Chapter 3.50; and

**WHEREAS**, Folsom Municipal Code Section 3.50.030 provides direction on calculating costs reasonably borne to include the following elements: direct costs (wages, overtime, benefits, overhead, etc.), indirect costs (building maintenance, computers, printing, etc.), fixed assets, general overhead, department overhead, and any debt service costs; and

**WHEREAS**, Folsom Municipal Code Section 3.50.040 requires fee adjustments be approved by the City Council; and

**WHEREAS**, Folsom Municipal Code Section 3.50.040 also directs that the majority of Planning Service Fees and Building Permit Fees shall be 100% cost recoverable through its fee structure; and

**WHEREAS**, the range of complexity in Planning Department development applications can vary widely; and

**WHEREAS**, the certain planning fees for minor planning services were inadvertently omitted from the Master Planning Fee Schedule that are necessary to provide planning services requested by the public; and

**WHEREAS**, the sign permit fees approved as part of Resolution No. 4927 should be included on Master Fee Schedule and subject to inflationary adjustments; and

**WHEREAS**, the Conditional Use Permit Modification fee approved by Resolution No. 8744 should be included on Master Fee Schedule and subject to inflationary adjustments; and

**WHEREAS**, the Unattended Donation Box fee approved by Resolution No. 8698 should be included on Master Fee Schedule and subject to inflationary adjustments; and

**WHEREAS**, the Home Occupation fee approved by Resolution No. 8698 should be included on Master Fee Schedule and subject to inflationary adjustments; and

**WHEREAS**, in our current fiscal climate the General Fund is unable to cover any unnecessary development service related costs; and

**WHEREAS**, fees shown in the attached fee schedule do not exceed the estimated reasonable cost of providing the services for which they fees are charged.

**NOW THEREFORE, BE IT RESOLVED** by the City Council of the City of Folsom that Resolution No. 8801 be modified by adding the planning processing fees as shown in the attached fee schedule, effective 60 days from the date of adoption of this Resolution on July 24, 2011. The City may adjust the User Fees annually on July 1st by an escalation factor to reflect the cost of inflation using the *US Bureau of Labor Statistics & CA Department of Finance CPI-West Urban Consumers, all items, San Francisco CMSA*, Annual amount as of December of the previous calendar year.

**PASSED AND ADOPTED** this 24th day of May 2011, by the following roll-call vote:

AYES: Council Member(s):  
NOES: Council Member(s):  
ABSENT: Council Member(s):  
ABSTAIN: Council Member(s):

\_\_\_\_\_  
Andrew J. Morin, MAYOR

ATTEST:

\_\_\_\_\_  
Christa Freemantle, CITY CLERK

#	Department Service	Fee
PE-47	Unattended Donation Box	\$168+ \$42 for Renewal
PE-48	Conditional Use Permit Modification (Deposit)	\$1405
PE-49	Site Design Review	\$250
PE-50	Opinion on a Planning Matter	\$220
PE-51	Landmark Tree	\$250
PE-52	Off-Site Weekend Directional Signs	\$150
PE-53	Uniform Sign Program	\$250
PE-54	Sign Permit Extension	\$50
PE-55	Temporary Sign Permit	\$10
PE-56	Home Occupation Permit	\$26

ATTACHMENT 2  
Resolution No. 8801

**RESOLUTION NO. 8801**

**A RESOLUTION MODIFYING RESOLUTION NO. 8301 AS SHOWN IN THE ATTACHED FEE SCHEDULE AND DIRECTING STAFF TO IMPLEMENT A PROGRAM FOR FULL COST PLANNING SERVICE FEES**

**WHEREAS, Folsom Municipal Code Section 3.50.020** directs the City Manager to recommend to the Council the adjustment of fees and charges to recover the percentage of costs reasonably borne in providing the regulation, products or services as enumerated in Chapter 3.50; and

**WHEREAS, Folsom Municipal Code Section 3.50.030** provides direction on calculating costs reasonably borne to include the following elements: direct costs (wages, overtime, benefits, overhead, etc.), indirect costs (building maintenance, computers, printing, etc.), fixed assets, general overhead, department overhead, and any debt service costs; and

**WHEREAS, Folsom Municipal Code Section 3.50.040** requires fee adjustments be approved by the City Council; and

**WHEREAS, Folsom Municipal Code Section 3.50.040** also directs that the majority of Planning Service Fees and Building Permit Fees shall be 100% cost recoverable through its fee structure; and

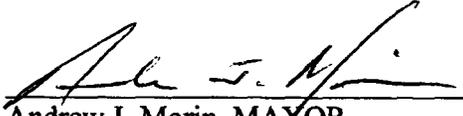
**WHEREAS,** the range of complexity in Planning Department development applications can vary widely; and

**WHEREAS,** in our current fiscal climate the General Fund is unable to cover any unnecessary development service related costs; and

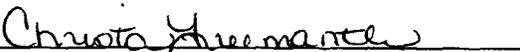
**NOW THEREFORE, BE IT RESOLVED** by the City Council of the City of Folsom that Resolution No. 8301 be modified as shown in the attached fee schedule, effective 60 days from the date of adoption of this Resolution on May 8, 2011 and directs City staff to implement a program for full cost planning service fees as attached and described in the staff report.

**PASSED AND ADOPTED** this 8<sup>th</sup> day of March 2011 by the following roll-call vote:

**AYES:** Council Member(s): Howell, Miklos, Sheldon, Starsky, Morin  
**NOES:** Council Member(s): None  
**ABSENT:** Council Member(s): None  
**ABSTAIN:** Council Member(s): None

  
Andrew J. Morin, MAYOR

ATTEST:

  
Christa Freemantle, CITY CLERK

#	Department Service	Base Fee (Non-Refundable Deposit)
	<b>Planning</b>	
PE-1	Preliminary Project Review (deposit)	\$ 545
PE-2	Tentative Parcel Map Review (deposit)	\$ 4,754
PE-3	Tentative Subdivision Map Review (deposit)	\$5,751 + \$30/Lot
PE-4	Tentative Map Amendment Review (deposit)	\$ 7,923
PE-5	Final Map Amend/Cert. of Correction	\$ 2,599
PE-6	Tentative Map Extension Review (deposit)	\$ 3,404
PE-7	Site Design Review - Planning Comm. (deposit)	\$ 3,992
PE-8	Planned Development Review (deposit)	\$7,640 + \$382/acre
PE-9	Planned Development Mod. Review (deposit)	\$ 7,628
PE-10	Planned Development Ext. Review (deposit)	\$ 2,678
PE-11	Specific Plan Review (deposit)	\$ 5,356
PE-12	Specific Plan Amendment Review (deposit)	\$ 5,892
PE-13	Initial Environmental Study/Assessment (deposit)	\$ 5,423
PE-15	Environmental Impact Review & Report	\$ 7,285
PE-16	Notice of CEQA determination	\$ 252
PE-18	Environmental Mitigation Prog. Monitoring	\$ 5,369
PE-20	Historic District SFD Design Review (deposit)	\$ 54
PE-21	H.D. Multi-Fam/Comm Design Review (deposit)	\$ 1,841
PE-22	Arch Review - SFD (deposit)	\$ 54
PE-23	Arch Review - Multi-Fam/Comm. (deposit)	\$ 1,841
PE-24	Historic District Sign Review (deposit)	\$ 54
PE-25	Sign Permit - Staff	\$ 107
PE-26	PD Permit Sign Only (deposit)	\$ 1,071
PE-27	Zoning Verification Review (deposit)	\$ 258
PE-28	Rezoning Request Review- < 5 acres (deposit)	\$ 2,502
PE-29	Rezoning Request Review- 5+ acres (deposit)	\$ 4,997
PE-20	Lot Line Adj./Parcel Merger (planning) (deposit)	\$ 844
PE-31	Annexation Processing (deposit)	\$ 4,280
PE-32	Variance Review- SFD (deposit)	\$ 1,405
PE-33	Variance Review- Other (deposit)	\$ 1,405
PE-35	Appeal - Admin	\$ 214
PE-36	Appeal - by other (deposit)	\$ 429
PE-37	Code Amendment (deposit)	\$ 1,912
PE-38	General Plan Amendment <5 acres (deposit)	\$ 3,651
PE-39	General Plan Amendment >5 acres (deposit)	\$ 7,300
PE-40	Temporary Use Permit Review	\$ 54
PE-41	Conditional Use Permit Review (deposit)	\$ 4,954
PE-43	Street Name Review/Change (deposit)	\$ 1,071
PE-44	Development Agreement Processing (deposit)	\$ 4,607
PE-45	Non-residential Plan Check Fee	10% of building permit fee
PE-46	Residential Landscape Review Fee	Hourly rate of City Arborist