


City of Calistoga Staff Report

TO Honorable Mayor and City Council
FROM Lynn Goldberg, Planning and Building Director
DATE July 19, 2016
SUBJECT Adoption of Planning Department Processing Fees and Deposits

APPROVAL FOR FORWARDING:



Dylan Feik, City Manager

1 **ISSUE:** Consideration of adopting fees to recover Planning Department costs of
2 processing land use-related applications

3 **RECOMMENDATION:** Adopt resolution (Attachment 1)

4 **BACKGROUND:** The Calistoga Planning Department collects fees to partly recover the
5 cost of processing applications for entitlements such as use permits, design review and
6 subdivision maps. The last comprehensive fee adoption by the City Council occurred in
7 1996 (Res. No. 96-23). These fees need to be updated to reflect current personnel and
8 overhead costs as well as to add fees for certain types of applications.

9 In addition to charging fees to process relatively simple applications, the Department
10 also uses “developer deposit accounts” to recover costs for processing more
11 complicated applications. Under this approach, staff estimates the number of hours of
12 staff time that will be required to process the applications by task, such as meetings with
13 the applicant and their representatives; reviewing the application for completeness;
14 coordinating the review of other agencies; preparing environmental documentation,
15 public notices, reports, resolutions and ordinances; attending public meetings and
16 following up on application approvals.

17 This number of estimated hours is then multiplied by the hourly staff cost and becomes
18 the deposit required to accompany an entitlement application. Staff then tracks hours
19 spent processing the application and deducts the applicable staff rate from the deposit
20 account, resulting in a direct cost recovery from the applicant. As a deposit account is
21 drawn down, staff requires additional deposits before further work or action is taken on
22 an application. At the conclusion of the review process, any remaining funds in the
23 account are returned to the applicant and the account is closed.

24 In order to provide more surety to applicants about application filing costs and avoid the
25 need for staff to calculate the amount of initial deposits on a case-by-case basis, staff
26 believes that deposit amounts should be adopted for each type of application.

27 **DISCUSSION:** Staff proposes the adoption of the fees and developer deposits shown
28 as Exhibit A to the attached resolution. As described above, the proposed amounts are
29 based on estimates of staff time to process the different types of applications and the
30 fully-burdened hourly rate for the staff member likely to process the application.
31 Attachment 2 summarizes the current and proposed fees and developer deposits, along
32 with comparisons to the fees of other similar jurisdictions. Attachment 3 outlines how the
33 proposed fees were determined for several common staff-approved applications that do
34 not require Planning Commission or City Council review.

35 Some of the proposed fees, such as those for appeals and sign copy changes, would
36 not result in complete cost recovery. They were purposely set at a below-cost level so
37 that they do not represent a barrier to filing an appeal and they encourage business
38 owners to seek Planning Department approval prior to modifying their signs.

39 A new Zoning Clearance fee of \$25 is proposed to be collected at the time of business
40 license issuance. This fee is needed to cover the costs of staff working with a new
41 business owner to determine whether their proposed use is allowed by the Zoning Code
42 and conducting any necessary research on the property.

43 **CONSISTENCY WITH COUNCIL GOALS AND OBJECTIVES:** The proposed fees
44 would help fulfill Goal 1 of the City Council's goals and objectives for Fiscal Year 2016-
45 17, which calls, in part for the financial stability of the City. Establishing development
46 deposit amounts for each type of application would help fulfill Goal 2, Objective 2 by
47 streamlining and simplifying processes.

48 **FISCAL IMPACT:** Enactment of the proposed fee changes will improve cost recovery
49 for Planning Department services. It is estimated that an additional \$18,000 could be
50 collected annually as a result of the proposed new and increased fees.

51 **ENVIRONMENTAL REVIEW:** The adoption of fees is not an action that is subject to the
52 California Environmental Quality Act, pursuant to CEQA Guidelines Section 15060(c).

53 **ALTERNATIVES:** The proposed fees are based on staff's estimates of the time needed
54 to process each type of application. Alternatively, the Council could direct the
55 preparation of a professionally-prepared analysis to ensure full cost recovery or the
56 preparation of a user fee study for all city departments and services.

ATTACHMENTS

1. Draft resolution
2. Current and proposed fees and developer deposits
3. Processing cost examples
4. Resolution 96-23