



Monterey County

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Report

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Public hearing to consider adoption of a resolution to amend Article XIX (Resource Management Agency-Building Services) of the Monterey County Fee Resolution to establish new fees and revise existing fees for County construction permitting and inspection services.

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a resolution (Attachment B) to amend Article XIX (Resource Management Agency-Building Services) of the Monterey County Fee Resolution to establish new fees and revise existing fees for County construction permitting and inspection services.

SUMMARY:

This resolution makes several updates to the Resource Management Agency (RMA)-Building Services fees including clarifying existing fee categories, establishing two new construction permit fees related to special events, adding the "extraordinary development applications" fee category, reducing fees for two fee categories to reflect lower department costs and increasing fees for two fee categories to reflect the department cost.

DISCUSSION:

The RMA-Building Services fees help offset the cost of construction permitting and inspection services provided by the Building Services division of RMA. The Building Services Fee Schedule includes fees for services such as construction permitting administration, construction plan review and inspection. Adoption of the proposed fee modifications continues the Board's past practice of recovering some portion of the costs of processing construction permits and conducting inspections from those who benefit from certain services the County provides. Updates to the fee schedule reflect Board of Supervisors' General Financial Policy number 7.4, User Fees, directing that "*all fees be reviewed as necessary and adjusted (as necessary). The full cost of providing a service is calculated in order to provide a basis for setting the charge or fee. Full cost incorporates direct and indirect costs, including operations and maintenance, overhead, charges for the use of capital facilities, as well as depreciation.*" RMA-Building Services' fees are based on the estimated reasonable cost of providing the service, after all cost-saving options have been explored. Not all fees are set at a level to allow for full recovery of costs.

RMA- Building Services has reviewed the previously adopted fees for services provided by Building Services. As part of this fee update process, the following changes are recommended, as shown in the attached fee matrix:

- Removing the differentiation in extension fees between permits and permit applications expired for less than one year and greater than one year to create one unified extension fee of \$90.

- Establishing permit and permit application extension inspection fee of \$180 per inspection.
- Reducing routing fees for plans submitted electronically from \$500 to \$410 to represent less handling required.
- Establishing fees for late submittals of special event construction permits (effective January 1, 2017).
- Adding the “extraordinary development applications” fee category consistent with partner land use agencies such as RMA-Planning.
- Increasing and clarifying fees for after hours inspections.
- Clarifying fee matrix verbiage.

See Attachment A for a detailed discussion. As also further explained in Attachment A, construction permit and inspection fees are authorized by state law (Government Code section 66014). The proposed fee amendments are not a “tax” and are exempt from voter approval under section 1(e)(1)-(3), (5) and (6) of Article XIII C of the California Constitution (Proposition 26, excepting certain fees and charges from the definition of “tax”.)

CEQA:

Staff recommends that the Board find that this action is not a project under the California Environmental Quality Act (CEQA) because it is a governmental funding mechanism which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. (CEQA Guidelines section 15378(b)(4).)

OTHER AGENCY INVOLVEMENT:

RMA presented the topic of the Building Services fee update at the Interagency Review meeting in which all County land use agencies (Building, Planning, Public Works, Environmental Services, Counsel, Environmental Health, and Water Resources) are involved. At that time, RMA asked if the County land use agencies had any fee updates to include. Building Services is the only RMA department seeking amendments at this time. The Environmental Health Bureau intends to bring any amendments to its fees to the Board for consideration together with other Health Department fees.

RMA worked with CAO-Budget and Analysis Division and Office of County Counsel in the preparation of the fee articles and this report. Additionally, RMA shared the draft with and gathered feedback from stakeholders such as the Streamlining Taskforce and the Special Events Taskforce. As a result of this feedback gathering, the Department was able to address stakeholder concerns with the potential budgetary impact of the effective date of the late submittal of special event construction permit fees by delaying implementation of these two fee items until January 1, 2017 to be in line with the special event industry’s budget calendar.

FINANCING:

Fees capture a portion of the cost of providing County services to those who benefit from services. The recommendations contained in this report include a mix of fee increases and decreases resulting from a review of the factors that affect the costs associated with providing the service (as directed in General Financial Policy 7.4). The proposed increases to fees are intended to help recapture costs associated with the provision of construction permitting and inspection services. The proposed decreases in fees reflect lower department costs due to

improved operational efficiencies in service delivery. Recommended fees are no more than is necessary to cover the reasonable costs of the governmental activity, and do not exceed the reasonable and actual costs to the County of providing these services.

EFFECTIVE DATE:

Staff recommends items II.C.11 and II.C.12 in the attached Master Fee Matrix, relating to the establishment of fees for late submittals of special event construction permits, take effect on January 1, 2017. Staff recommends all other items take effect 60 days after adoption of the fee amendments.

Prepared by: Kate Battiato, Management Analyst III
Approved by: John Guertin, Acting RMA Deputy Director
Carl P. Holm, AICP, RMA Director

Attachments: Attachment A - Discussion
Attachment B - Resolution and Exhibit 1 (Fee Matrix)

cc list: Shawne Ellerbee, RMA-Finance
Jacqueline Onciano & John Ford, RMA-Planning
Michael Goetz, RMA- Public Works, Community Development
Daniel Dobrilovic, RMA- Building Services
Tom Moss, RMA-Environmental Services
Tim Burns, Code Compliance
Lucila Sanchez, CAO Budget & Analysis
Richard Rudisill, Chair, Permit Streamlining Task Force
Lavonne Chin, Monterey County Parks, Special Event Coordinator