



City of Palo Alto

City Council Staff Report

(ID # 8646)

Report Type: Consent Calendar

Meeting Date: 11/13/2017

Summary Title: SECOND READING: Development Services Muni Fee Schedule

Title: SECOND READING: Adoption of an Ordinance Updating the Fiscal Year 2018 Municipal Fee Schedule to Adjust Development Services Department Fees (FIRST READING: October 2, 2017 PASSED: 7-1 Tanaka no, Scharff Absent)

From: City Manager

Lead Department: Development Services Department

This ordinance was first heard by the City Council on October 2, 2017 and was passed 7-1 with Council Member Tanaka voting no, and Mayor Scharff absent. During the course of the staff presentation for a second reading on October 23, 2017, this item was pulled from the consent calendar to address some questions from the Council.

Staff has prepared answers to Council's questions on a small set of fees that were addressed at the October 23, 2017 City Council meeting.

1. Service conductor switch greater/less than 800 amps – why does the larger cost less than the smaller (\$209 v. \$367)?

It is correct that "Greater than 800 amps" has a lower fee than "Less than 800 amps", and these fees were set based on an analysis of actual costs to inspect these types of applications. Inspections for the larger are usually connected to larger scope projects that may have a combination of related inspections and overlapping field review. The larger scale projects benefit from economies of scale and types of staff assigned to each inspection.

In contrast, Less than 800 amps projects have higher fees because they are generally small scale projects that require a single specialized inspection.

2. Landscape plan review – SF Residential - \$1,193 seems out of scale with other fees; why is this so high?

This fee includes compliance with regulations specific to landscaping, including a state mandated water efficiency ordinance and the City of Palo Alto Urban Forest Master Plan requirements. The fee is based on the 3.5 hours of intricate plan review required to cover both requirements. These fees are only triggered for landscape plans attached to a building permit, if the square footage of landscape for new

development is an area of 500 sq. ft. or more, or if the square footage of landscape for rehabilitated projects is an area of 2,500 sq. ft. or more.

3. Carnivals and Fairs – please define what events trigger this and prior applications

This is a “legacy” Commercial permit that has been in our Muni Code for decades but has not been assessed in recent memory.

This is designed to be used for large scale productions such as a circus, county fair, or carnival which would require extensive review of site plans, egress routes, as well as tent, ride, generator and cooking facility locations. This permit would also include several hours of on-site inspection (ride safety, tent anchoring, exit signage, fire extinguishers, etc.) to ensure public safety.

City sponsored events and neighborhood or backyard events would not trigger this special permit and are typically inspected by the on-duty Engine Company from the district in question. This allows the Fire Department a no-cost means to promote public safety and goodwill, while also “pre-fire planning” how best to handle any emergency that might occur at the venue.

4. Parade Float – please define what events trigger this and prior applications

This is a “legacy” Commercial permit that has been in our Muni Code for decades but has not been assessed in recent memory. This permit was designed to be used for large scale parades requiring the design review and inspection of dozens of mobile floats for fire resistance and structural integrity.

5. Place of Assembly – please define what events trigger this and prior applications

This Commercial permit is for long-term, ongoing, venues used as gathering places for groups larger than 50 people. These would include restaurants, theaters, concert halls, etc. These facilities are inspected (exiting, CO2 & propane, sprinkler & alarm systems, ansul systems, extinguishers, signage, lighting, etc.) and permitted on an annual basis to ensure public safety. This fee does apply to non-profits, schools, etc., but not outdoor events. Basically, this permit is for large rooms inside buildings that are used for congregating.

6. Tent or Air Supported Structure – can you provide an example of this (if not a jumpy house)?

Please define what events trigger this and prior applications. Also a question of whether this applies to city sponsored events.

The Fire Department is bound by the California Fire Code (CFC Sec. 3103.2) to permit tents and membrane structures in excess of 400 square feet. This standard exists to protect the public from poorly engineered and improperly anchored structures which have been known to injure and even kill individuals due to collapse, fire, or becoming airborne in strong winds.

The Fire Department follows the guideline set forth by the CFC to review any proposed structure which exceeds the minimum square footage. Working with the Building Department, a determination is made whether the proposed structure warrants a review of the engineering

and anchoring systems (as well as proposed: egress paths, exiting signage, and location of electrical/heating/extinguishers/etc.), at which time the permit fee would be assessed.

This Commercial permit has been used for structures on the order of HP's 20,000 square foot "tent" (April 2016), and has never been applied to a "jumpy house".

City sponsored events and small neighborhood or backyard events would not trigger this permit and are typically inspected by the on-duty Engine Company from the district in question. This allows the Fire Department a no-cost means to promote public safety and goodwill while also "pre-fire planning" how best to handle any emergency that might occur at the venue.

Conclusion

In an effort to clarify that many of the permits in question are geared toward commercial scale events, Staff is proposing to modify the fee titles as part of the FY 19 budget process while eliminating seldom used fees and making minor adjustments to any fees that need to be realigned to be fully cost recoverable.

Attachments:

- Attachment A: Ordinance for the FY 18 Muni Fee Schedule to Adjust Development Services Fees

Not Yet Approved

Ordinance No. _____

Ordinance of the Council of the City of Palo Alto to Update the Fiscal Year 2018
Municipal Fee Schedule to Adjust Development Services Department Fees

The City Council of the City of Palo Alto does hereby ORDAIN as follows:

SECTION 1. Findings and declarations.

A. In 2016, the Development Services Department completed Phase I of a fee study to update certain non-valuation-based fees for services, reserving an update of valuation-based fees for Phase II of the fee study.

B. In 2017, the Development Services Department completed Phase II of the fee study, which recommended adjustments to the Department's valuation-based fees, the adoption of an operating reserve, and associated changes.

C. On September 19, 2017, the Finance Committee reviewed the fee study and recommended adoption of an ordinance updating Development Services Department fees in accordance with the study's recommendations, adjusted by the annual salary and benefits adjustment of 5.5 percent.

SECTION 2. The Council of the City of Palo Alto adopts the Development Services Department Reserve Fund Policy, as set forth in Exhibit "1" and incorporated herein by reference.

SECTION 3. The Council of the City of Palo Alto adopts the changes to the Municipal Fee Schedule as set forth in Exhibit "2" and incorporated herein by reference. When effective, such fees shall supersede any prior inconsistent fees charged by the Development Services Department.

SECTION 4. The amount of the new or increased fees and charges is no more than necessary to cover the reasonable costs of the governmental activity, and the manner in which those costs are allocated to a payer bears a fair and reasonable relationship to the payer's burden on, or benefits received from, the governmental activity.

SECTION 5. Fees in the Municipal Fee Schedule are for government services provided directly to the payor that are not provided to those not charged. The amount of this fee does not exceed the reasonable costs to the City of providing the services. Consequently, pursuant to Art. XIII C, Section I(e)(2), such fees are not a tax.

SECTION 6. Effective Date. The fee increases proposed for FY 2017 described in Exhibit A shall become effective no sooner than sixty (60) days from the date of adoption of this ordinance.

SECTION 7. CEQA. The adoption of user fees is exempt from environmental review under the California Environmental Quality Act (CEQA). (See CEQA Guidelines Section 15273.)

INTRODUCED:

PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

Deputy City Attorney

City Manager

Director of Development Services

Director of Administrative Services

Development Services Department Reserve Fund Policy

Section 1. Purpose

The purpose of the Development Services Department Reserve Fund (DSDRF) is to build and maintain an adequate level of unrestricted funds available to cover any unforeseen shortfalls that arise outside of the regular budget planning process, as well as one-time, nonrecurring expenses that will build long-term capacity. The fund may not be used to create or hire new full time benefited positions. The department intends for the operating reserve to be used and replenished within a reasonable period of time. This policy will be implemented in conjunction with the other financial policies of the City and is intended to support the goals and strategies contained in those related policies and in strategic and operational plans.

Section 2. Definitions and Goals

The DSDRF is a designated fund set aside by action of the City Council. The target of the DSDRF is equal to three (3) months of average recurring operating costs; with a range of 23 (minimum) to 27 (maximum) percent with a target of 25 percent of average recurring operating cost.

The DSDRF is dynamic and will be reviewed and adjusted in response to internal and external changes. In addition to calculating the actual reserve at the fiscal year-end, the reserve fund minimum, target and maximum can be adjusted by the Council as necessary each year during the annual budget development process. These reserves will be reported to the Finance Committee and City Council.

Section 3. Funding of Reserves

The DSDRF will be funded by a five (5) percent increase to all Development Services Department fees as listed in the City's Municipal Fee Schedule beginning in Fiscal Year 2018, upon City Council approval, through Fiscal Year 2022. The City Council may, from time to time, direct that a specific source of revenue be set aside for the DSDRF.

Section 4. Accounting for Reserves

The DSDRF will be recorded in the City's accounting system and financial statements titled as the Development Services Department Reserve Fund. The DSDRF will be maintained in accordance with the City's investment policy.

Section 5. Authority to Use the DSDRF

Authority to use the DSDRF will remain with the City Council. The City Manager will submit a request to use the DSDRF to the City Council. The Director of Development Services Department will prepare the report identifying the need for access to the DSDRF and confirm that the use is consistent with the purpose of the reserves as described in this policy. Determination of need requires analysis of the sufficiency of the current level of reserve funds, the availability of any other sources of funds before using reserves, and evaluation of the time period for which the funds will be required and replenished.

Section 6. Fee or Rate Stabilization

DSDRF may be added to the Development Services Department revenue projections by action of the City Council and held to manage the trajectory of future year rate increases.

Section 7. Reappropriation of DSDRF

At the end of each fiscal year the DSDRF will be reappropriated to the following fiscal year in accordance with Palo Alto Municipal Code Section 2.28.090.

Section 8. Relationship to Other Policies

The City Manager maintains City Council approved policies, which may contain provisions that affect the creation, sufficiency, and management of the DSDRF. It will be the responsibility of the City Manager and Director of Administrative Services Officer to notify the Director of Development Services if changes to city-wide policies impact the DSDRF. These policies may be City Council approved policies such as the Investment Policy or administrative policies within the confines of the Municipal Code.

Section 9. Reporting, Monitoring and Review of Policy

The Director of Development Services is responsible for ensuring that the DSDRF is maintained and used only as described in this policy. Upon approval of the use of DSDRF, the Director of Development Services and the Director of Administrative Services will maintain records of the use of funds and plan for replenishment. Staff will provide reports to the City Council within the annual budget process, or sooner if warranted by internal or external events.

DEVELOPMENT SERVICES		
Building		
	Current Fee	Proposed Fee
Business Registry		
Business Registry Fee	\$50.00 per business	\$50.00
Miscellaneous		
Technology Surcharge <i>Note: This surcharge will be added to all fees in Development Services.</i>	1.8% of each transaction	1.8% per fee
Building Permit Fees		
A. \$1.00 - \$1,000.00	\$73.00 Base Fee	Delete
B. \$1,000.01 - \$2,000.00	\$73.00 for the first \$1,000.00 plus \$5.80 for each additional \$100.00 or fraction thereof, to and including \$2,000.00	Delete
C. \$2,000.01 - \$25,000.00	\$131.00 for the first \$2,000.00 plus \$26.53 for each additional \$1,000.00 or fraction thereof, to and including \$25,000.00	Delete
D. \$25,000.01 - \$50,000.00	\$741.19 for the first \$25,000.00 plus \$19.69 for each additional \$1,000.00 or fraction thereof, to and including \$50,000.00	Delete
E. \$50,000.01 - \$100,000.00	\$1,233.44 for the first \$50,000.00 plus \$13.25 for each additional \$1,000.00 or fraction thereof, to and including \$100,000.00	Delete
F. \$100,000.01 - \$500,000.00	\$1,895.94 for the first \$100,000.00 plus \$10.63 for each additional \$1,000.00 or fraction thereof, to and including \$500,000.00	Delete
G. \$500,000.01 - \$1,000,000.00	\$6147.94 for the first \$500,000.00 plus \$9.03 for each additional \$1,000.00 or fraction thereof, to and including \$1,000,000.00	Delete
H. \$1,000,000.01 and Up	\$10,662.94 for the first \$1,000,000.00 plus \$7.12 for each additional \$1,000.00 or fraction thereof If valuation exceeds \$5,000,000.00, an alternative fee arrangement may be established by the Chief Building Official to achieve full cost recovery.	Delete
Building Permit Fee	See Above	Restructured to be 1.44% of Construction Valuation based on the ICC Table
I. Building Demolition Permit	\$431.00 (does not include C&D fees) per permit	\$498.00
J. Commercial Interior Non-Structural Demolition Permit	\$196.00 (does not include C&D fees) per permit	\$179.00
Construction & Demolition		
Commercial and Multi-Family Projects greater than or equal to \$25,000.00 in Valuation	\$412.00 per permit	\$305.00

Municipal Fee Schedule

Exhibit 2

DEVELOPMENT SERVICES		
Single Family and Two Family Projects greater than \$25,000.00 and less than \$75,000.00 in Valuations:	\$172.00 per permit	\$163.00
Single Family and Two Family Projects greater than \$75,000.00 in Valuation:	\$252.00 per permit	\$210.00
Electrical Permits		
A. Base Fee	\$92.00 per permit	\$115.00
B. New or Remodeled Square Footage	\$0.02 per square foot per square foot	Delete
Air Conditioners	\$91.00 per unit	\$70.00
Busway, Power Duct, or Floor Duct Per Foot	\$75.00 each	\$58.00
Conditional Utility Agreement	\$265.00 each	\$236.00
Each Additional Meter	\$75.00 each	\$153.00
Fixtures, Switches, and Outlets	\$75.00 each	\$58.00
Lighting, Power and/or Control Panel Board, Switchboard Cabinet or Panel	\$75.00 each	\$70.00
Motor	\$75.00 each	\$58.00
Motor Generator	\$75.00 each	\$441.00
Range, Electric Clothes Dryer, or Water Heater	\$75.00 each	\$58.00
Service Conductor/Switch - Greater than 800 amp	\$272.00 each	\$209.00
Service Conductor/Switch - Less than 200 amp	\$136.00 each	Delete
Service Conductor/Switch - Less than 800 amp	\$181.00 each	\$367.00
Special Circuit (Not Listed Herein)	\$75.00 each	\$58.00
Temporary Power Pole	\$75.00 each	\$58.00
Temporary Wiring for Construction	\$75.00 each	\$58.00
Electrical Permits - Electrical Vehicle Charging Stations		
Commercial (Level 1 and 2)	\$427.00 plus \$83.00 for each additional station	\$357.00 plus \$67.00 for each additional station
Commercial (Level 3 and 4)	\$518.00 plus \$102.00 for each additional station each	\$426.00 plus \$83 for each additional station
Residential (Level 1 and 2)	\$188.00 per station	\$154.00
Residential (Level 3)	\$264.00 per station	\$235.00
Electrical Permits - Photovoltaic Systems		
Commercial System (less than 10 kW)	\$600.00 each	\$557.00
Commercial System (10kW - 49kW)	\$901.00 each	\$557.00
Commercial System (greater than 49kW)	\$976.00 each	\$748.00
Residential Systems (greater than 10kW)	\$340.00 each	\$357.00

Municipal Fee Schedule

Exhibit 2

Residential Systems (less than 10kW)	\$91.00 each	\$165.00
General & Miscellaneous Fees		
Address Change	\$399.00 single address; \$192.00 each additional address	\$505.00 single; \$244.00 each additional
DEVELOPMENT SERVICES		
All Other Publications	\$18.00 each	\$16.00
Construction/Maintenance Vehicles	\$81.00 per space per week. This includes FY 18 adjustment rate of 6%.	\$80.00
Electric Service and Safety Inspection	\$169.00 per hour	\$197.00
Extension of Building Permit or Building Permit Application	\$95.00 per application	\$79.00
Inspections and Investigations - Outside Normal Business Hours <i>Note: Inspections and investigations outside normal business hours (2- hour minimum).</i>	\$408.00 per 1.5x OT Hour; \$544.00 per 2.0x OT hour	\$369.00 per 1.5x OT Hour; \$492.00 per 2.0x OT hour
Inspections and Investigations - Unclassified <i>Note: Inspections and investigations for which no fee is specifically indicated (2-hour minimum).</i>	\$254.00 per hour	\$246.00
Reactivation of Expired Building Permit - All Others	50% of original Building Permit Fee not to exceed the full cost to perform remaining inspections as determined by the Chief Building Official	\$222.00
Reactivation of Expired Building Permit - Final Inspection Only	\$283.00 or 50% of original Building Permit Fee, whichever is less	\$256.00
Reactivation of Expired Building Permit Application	\$211.00 per permit plus Plan Check Fees as applicable per permit	\$156.00
Real Property Research Fee (1-hour minimum)	\$271.00 per hour	\$229.00
Records Retention	\$6.00 per plan sheet	\$6.00 per plan sheet
Reinspection Fee - Multi-Family Residential and Non- Residential	\$315.00 each	\$137.00
Reinspection Fee - Single Family Residential	\$247.00 each secondary inspection type; \$315.00 each primary inspection type per inspection	\$76.00 each secondary inspection type; \$141.00 each primary inspection type per
Request for Release of Building Plans	\$85.00 each	\$77.00
Residential Inspection Guidelines <i>Note: Available free online</i>	\$37.00 each	No Change
Green Building		
Alterations and additions for single and multifamily > 1,000 sq ft	\$708.00 per review	\$728.00
Alterations and additions for single family and multifamily < 1,000 sq ft and increases conditioned space	\$429.00 per review	\$441.00
If the project is over \$100,000 Energy Star is required after 12 months of occupancy	\$140.00 per review	\$144.00

Municipal Fee Schedule

Exhibit 2

Landscape Inspection	\$185.00 per inspection	\$190.00
Landscape Plan Review - Non-Residential & Multi-Family	\$1886.00 per review	\$1,939.00
Landscape Plan Review - Single Family Residential	\$1161.00 per review	\$1,193.00
Multi Family New Construction of 1-3 (attached) units	\$923.00 per review	\$949.00
Multi Family New Construction of 4 or More	\$1481.00 per review	\$1,523.00
New Commercial >50,000 SF	\$1761.00 per review	\$1,810.00
New Commercial 1,000 - 25,000 SF	\$1202.00 per review	\$1,236.00
DEVELOPMENT SERVICES		
New Commercial 25,001 - 50,000 SF	\$1481.00 per review	\$1,523.00
New Single Family	\$923.00 per review	\$949.00
Tenant improvements, renovations or alterations > \$200,000 in valuation (and not triggered by a Calgreen Tier)	\$644.00 per review	\$662.00
Tenant improvements, renovations or alterations > 5,000 SF <i>Note: includes replacement or alteration of at least two of the following: HVAC systems, building envelope, hot water system, or lighting system and project greater than \$200,000</i>	\$644.00 per review	\$662.00
Mechanical Permits		
A. Base Fee	\$92.00 per permit	\$115.00
B. New or Remodeled Square Footage	\$0.02 per square foot	Delete
Air Handlers up to and including 10,000 cfm	\$60.00 each	\$47.00
Boilers, Compressors and Absorption Systems: For the installation or relocation of each boiler or compressor up to 30 hp or each absorption system up to and including 1,000,000 Btu/h	\$122.00 each	\$93.00
Boilers, Compressors, and Absorption Systems: For the installation or relocation of each boiler or compressor exceeding 30 hp, or each absorption system exceeding 1,000,000 Btu/h	\$182.00 each	\$93.00
Furnace, Flue and Associated Ducts	\$182.00 each	\$93.00
Miscellaneous <i>Note: For each appliance or piece of equipment regulated by this code, but not classed in other appliance categories, or for which no other fee is listed.</i>	\$60.00 each	\$47.00
Process Piping System	\$60.00 per permit	\$46.00
Process Piping System - Hazardous	\$145.00 per permit	\$47.00
Swimming Pool Heater	\$72.00 per permit	\$56.00
Ventilation and Exhaust	\$60.00 each	\$47.00
Plan Review Fees		

Municipal Fee Schedule

Exhibit 2

Additional Plan Review <i>Note: Required by changes, additions, or revisions to plans including Alternative Means and Methods (2-hour minimum). For Elective (3rd party) and over-the-counter reviews (half hour minimum).</i>	\$225.00 per hour	\$191.00
Building Plan Check	80% of Building Permit fee	75%
Certified Access Specialist (CASp) Review/Consultation	Actual cost of CASp Consultant plus 15% per hour. Restructured to a flat fee.	\$367.00
Elective Plan Check	35% of Building Plan Check fee	35%
Fire and Life Safety Plan Check	45% of Building Permit fee	54%
Public Works Plan Check	12% of Building Permit fee	44%
Zoning Plan Check	30% of Building Permit fee	35%
Plumbing Permits		
A. Base Fee	\$92.00 per permit per permit	\$115.00
B. New or Remodeled Square Footage	\$0.02 per square foot	Delete
DEVELOPMENT SERVICES		
Atomospheric-type vaccum Breakers	\$109.00 each	\$115.00
Backflow protective device other than atomospheric-type	\$217.00 each	\$167.00
Gas Piping System	\$217.00 each	\$167.00
Industrial Waste Pretreatment Interceptor <i>Note: Including trap and vent, except kitchen-type grease interceptors functioning as fixture traps</i>	\$217.00 each	\$167.00
Medical Gas Piping System	\$217.00 each	\$167.00
Plumbing Fixtures <i>Note: For each plumbing fixture on one trap or a set of fixtures on one trap (including water, drainage piping, and backflow protection).</i>	\$91.00 each	\$116.00
Plumbing Fixtures: For each building sewer	\$145.00 each	\$112.00
Rain Water Systems	\$91.00 each	Delete
Solar Hot Water System <i>Note: Does not include Plan Check fee.</i>	\$217.00 each	\$167.00
Storm Drain System	\$217.00 each	\$167.00
Swimming Pool	\$72.00 each	\$56.00
Water Heater, Vent or Other	\$109.00 each	\$84.00
Water Piping <i>Note: Installation, alteration or repair of water piping, water treatment equipment or both</i>	\$109.00 each	\$84.00
Plumbing Permits - Graywater Systems		
Clotheswasher System	\$91.00 each	\$70.00
Complex System	\$217.00 plus plan review at cost	\$167.00
Simple System	\$91.00 plus plan review at cost	\$70.00
SB 1473 Fee		

Municipal Fee Schedule

Exhibit 2

A. \$1.00 - \$25,000.00 Permit Valuation	\$1.00 per valuation increment	No change
B. \$25,001.00 - \$50,000.00 Permit Valuation	\$2.00 per valuation increment	No change
C. \$50,001.00 - \$75,000.00 Permit Valuation	\$3.00 per valuation increment	No change
D. \$75,001.00 - \$100,000.00 Permit Valuation	\$4.00 per valuation increment	No change
E. Each \$25,000.00 Increment or Fraction Thereof Above \$100,000.00	Add \$1.00 per valuation increment	No change
F. Minimum	\$1.00 minimum	No change
Strong Motion Instrument Program		
Commercial	\$28.00 per \$100,000.00 permit valuation (\$0.50 minimum)	No change
Residential	\$13.00 per \$100,000.00 permit valuation (\$0.50 minimum)	No change
Use & Occupancy Permits		
Certificate of Use and Occupancy	\$287.00 each	\$1,095.00
Certificate of Use and Occupancy - Replacement	\$123.00 each	\$228.00
DEVELOPMENT SERVICES		
SB 1186 Mandated Fee <i>Note: Does not include fees collected by the Fire Department.</i>	\$1.00 each	No change
Temporary Occupancy Permit - Multi-Family Residential, Non-Residential, and Other Commercial	\$673.00 each	\$826.00
Temporary Occupancy Permit - Single Family Residential and Commercial Tenant Improvement less than 10,000 sq. ft.	\$498.00 each	\$606.00
Public Works		
Encroachment Permit		
Additional Non-Residential Long-Term (More than 5 days) Monthly	\$746.00 per month	No Change
Dumpster, Container	\$310.00 each	No Change
Non-Residential - Single Day	\$1,249.00 each	No Change
Non-Residential Long-Term (More than 5 days)	\$2,039.00 each	No Change
Non-Residential Short-Term (Less than 5 days)	\$1,466.00 each	No Change
Engineering		
A. 101 - 1,000 cubic yards	\$197.00 for the first 100 cubic yards, plus \$197.00 for each additional 100 cubic yards or fraction thereof	No Change
B. 1,001 - 10,000 cubic yards	\$1970.00 for the first 1,000 cubic yards plus \$186.00 for each additional 1,000 cubic yards or fraction thereof	No Change

Municipal Fee Schedule

Exhibit 2

C. 10,001 or more cubic yards	\$3830.00 for the first 10,000 cubic yards plus \$711.00 for each additional 10,000 cubic yard or fraction thereof	No Change
Inspection Fees		
Tree Inspection for Private Development	\$139.00 per inspection	No Change
Permit Fees		
Construction in Public Right-of-Way (\$1.00 - \$5,999) <i>Note: Including public or private subdivision streets</i>	\$712.00 per occurrence	No Change
Construction in Public Right-of-Way (\$6,000 - \$25,999) <i>Note: Including public or private subdivision streets</i>	\$712.00 + 8.8% of value greater than \$6,000.00	No Change
Construction in Public Right-of-Way (\$26,000 - \$100,999) <i>Note: Including public or private subdivision streets</i>	\$2472.00 + 10.8% of value greater than \$26,000.00	No Change
Construction in Public Right-of-Way (\$101,000 +) <i>Note: Including public or private subdivision streets</i>	10,572.00 + 9% of value greater than \$100,000.00	No Change
Storm Drain Plan Check Fee	\$743.00 per project	No Change
Temporary Discharge to Storm Drain from Construction Site Dewatering	\$4,093 per request to discharge	No Change
Additional Temporary Discharge to Storm Drain from Construction Site Dewatering	\$313.00 per week for the duration of dewatering activities	No Change
DEVELOPMENT SERVICES		
Wet Season Construction Site Stormwater Inspection <i>Note: MRP requirement for sites >1 acre and/or high priority (hillside, near creek, prior violation)</i>		
	\$287.00 per month, charge monthly October through April	No Change
Fire		
Compliance Fees		
Emergency Response Fee - Hazmat (PAMC 17.24.050)	Up to \$1,212.00 for each incident up to 100% cost recovery	\$350.00
Installation or Closure Without Approved Plans and/or Permits	\$275.00 - \$813.00 average fee range	No Change
Documents		
Emergency Planning Guide	\$253.00 each	No Change
Long-term Offsite Document Storage	\$0.25 per page	No Change
Microfilm Copy/Print	\$3.25 per blueprint page; \$0.30 per specification/ calculation page	No Change
Photographs	\$30.00 first print; \$0.55 each additional print	No Change
Hazardous Materials Classification Permits		

Municipal Fee Schedule

Exhibit 2

Compressed Gas	\$391.00 annually	\$351.00
Corrosives	\$391.00 annually	\$351.00
Cryogenic Fluid	\$391.00 annually	\$351.00
Flammable and Combustible Liquids	\$391.00 annually	\$351.00
Flammable Gas	\$391.00 annually	\$351.00
Flammable Solids	\$391.00 annually	\$351.00
Health Hazard (Liquids & Solids)	\$391.00 annually	\$351.00
Liquefied Petroleum Gases	\$391.00 annually	\$351.00
Organic Coatings	\$391.00 annually	\$351.00
Organic Peroxides	\$391.00 annually	\$351.00
Other Hazardous Materials - Unclassified <i>Note: Inspections and investigations for which no fee is specifically indicated (1-hour maximum)</i>	\$391.00 annually	\$351.00
Ovens - Industrial Baking or Drying	\$391.00 annually	\$351.00
Oxidizers (Liquids & Solids)	\$391.00 annually	\$351.00
Oxidizing Gas	\$391.00 annually	\$351.00
Pyrophoric Gas	\$391.00 annually	\$351.00
Pyrophoric Materials (Liquids & Solids)	\$391.00 annually	\$351.00
Pyrotechnical Special Effects Material	\$391.00 annually	\$351.00
DEVELOPMENT SERVICES		
Radioactive Materials	\$391.00 annually	\$351.00
Refrigeration Equipment	\$391.00 annually	\$351.00
Spraying/Dipping	\$391.00 annually	\$351.00
Tire Recapping/Tire Storage	\$1,561.00 annually	\$1,397.00
Toxic, Highly Toxic, Moderately Toxic, Health Hazard Gas <i>Note: Includes pesticides, fumigants, and etiologic agents.</i>	\$391.00 annually	\$351.00
Toxic, Highly Toxic, Moderately Toxic, Health Hazard Materials	\$391.00 annually	\$351.00
Unstable Reactive Gas	\$391.00 annually	\$351.00
Unstable Reactive Materials (Liquids & Solids)	\$391.00 annually	\$351.00
Water Reactive Materials (Liquids & Solids)	\$391.00 annually	\$351.00
Hazardous Materials Storage Permits		
Additional Approvals for Hazardous Materials Storage Permit <i>Note: Additional approval for permit to construct, temporary closure, permanent closure, otherwise modify a hazardous materials storage facility. See CEQA for additional fees.</i>	\$848.00 per occurrence plus \$554.00 per hour for time above two hours per occurrence	\$761.00 per occurrence plus \$498.00 per hour for time above two hours per occurrence
Business Plan (HMBP)	\$554.00 per location annually	\$498.00
Late Fee for Hazardous Materials Storage Permit	25% of total Hazardous Material permit fee	No Change

Municipal Fee Schedule

Exhibit 2

Level I Facility <i>Note: Minimal storage as defined by having no hazardous materials over CFC permit amounts as specified in CFC section 105.</i>	\$391.00 annually per location. Includes 1 hr inspection time.	\$351.00
Level II Facility <i>Note: Quantities exceeding CFC permit threshold, but less than 50 gal., 500lbs or 200 cu. ft. Category also includes dry cleaning, fixed medical gas, auto or aircraft repair, and service stations.</i>	\$782.00 annually per location plus other hazardous materials classification permit if applicable. Includes 2 hrs inspection time.	\$703.00
Level III Facility <i>Note: Quantities exceed 50 gal. 500lbs, or 200 cu. ft. and not categorized as Level II.</i>	\$1565.00 annually per location plus other hazardous materials classification permit if applicable. Includes 4 hrs inspection time.	\$1,406.00
Petroleum Aboveground Storage Tank <i>Note: Includes 2 hrs inspection time.</i>	\$782.00 annually	\$703.00
Provisional (6 Month)	\$782.00 plus other hazardous materials classification permit fees if applicable. Includes 2 hrs inspection time.	\$703.00
Inspection Fees		
Additional Inspection or Reinspection Fee	\$781.00 for up to 2 hours reinspection plus \$390.00 per hour (during business hours) per inspection	\$699.00 for up to 2 hours reinspection plus \$349.00 per hour (during business hours)
After Hours Inspection Fee <i>Note: Fee for before or after normal business hours; weekends and holidays included. Fee is to be paid in advance of inspection.</i>	\$585.00 per hour; 4 hour minimum	\$524.00
As-Built Plan Check and Additional Work	\$780.00 per review	\$699.00
Care Facility Inspection Including Fire Clearance	\$390.00 for facilities with 7-25 clients; \$780.00 for facilities with more than 25 clients per inspection	\$349.00 for facilities with 7-25 clients; \$699.00 for facilities with more than 25
Christmas Tree Lot/Pumpkin Patch	\$391.00 each	\$349.00
DEVELOPMENT SERVICES		
High Rise Building - Certificate of Compliance		
<i>Note: Certificate of compliance inspection for each high rise building which is required by state law to be inspected and certified annually as meeting minimum compliance with applicable state of California fire and life safety standards for existing high rise</i>	\$1626.00 annually for up to 4 hours; \$391.00 for each additional hour	\$1456.00 annually for up to 4 hours; \$349.00 for each additional hour
Outside Cooking Booths	\$210.00 each	\$524.00
Standby Fire Watch <i>Note: Per person.</i>	\$391.00 per hour	\$349.00
Use and Occupancy Fire Inspection	\$148.00 per inspection	\$349.00
Investigations & Consultations		
Additional Hours Over Plan Review/Inspection	\$308.00 per hour	\$249.00
Alternate Means and Methods Application <i>Note: 2 hr maximum.</i>	\$735.00 per application	\$746.00
Appeals to Decisions	\$391.00 per hour	\$349.00
Consultation Fee	\$391.00 per hour	\$349.00
Hydrant Flow Fee	\$391.00 per occurrence	\$349.00
Life Safety & Fire Protection		

Municipal Fee Schedule

Exhibit 2

Hydrant Installation/Modification - Private	\$195.00 per device	\$175.00
Automatic Fire Sprinkler Installation/Modification <i>Note: Includes hydrostatic test</i>	\$780.00 for 1-19 Sprinkler Heads; \$1,724.00 plus \$4.80 per head for 20 or more Sprinkler Heads	\$1543.00 for 1-19 Sprinkler Heads; \$1,724.00 plus \$3.00 per head for 20 or more
Express Fire Protection Plan Check Fee	\$173.00 per occurrence	No Change
Fire Alarm System Installation and Modification	\$1090.00 plus \$23.00 a device or contract point	\$948.00 plus \$21.00 a device or contract point
Fire and Life Safety Plan Check - Commercial <i>Note: Includes one inspection and reinspection.</i>	The Fire and Life Safety Plan Review Fee is 45% of the Building Plan Check Fee and is collected by the Building Division at the time an application of a Building Permit is submitted.	\$0.54
Fire Prevention Inspection of Private Schools	\$780.00 annually	\$699.00
Fire Protection and Fire Access Plan Review for New Single Family Dwellings or Additions	\$894.00 each	\$773.00
Multifamily dwellings, hotels & motels 51-100 units	\$780.00 annually	\$699.00
Multifamily dwellings, hotels & motels greater than 100 units	\$1,170.00 annually	\$1,048.00
Multifamily dwellings, hotels, motels 4-50 Units	\$391.00 annually	\$349.00
Other Automatic Fire Extinguishing System <i>Note: Includes hood and duct, FM 200, Inergen, and CO2. If a system has a release panel, Fire Alarm fees apply as well.</i>	\$1,090.00 per occurrence	\$948.00
Site Disaster Planning	\$390.00 per hour	\$349.00
Standpipe System - Wet, Dry, or Combination	\$780.00 per riser	\$699.00
Temporary Certificate of Occupancy	\$377.00 per occurrence	\$757.00
Underground Fire Service Line <i>Note: Includes 4 hrs of inspection and 1 hr of plan check</i>	\$1,870.00 per occurrence	\$1,647.00
Verification of Fire Protection System Maintenance and Certification	\$88.00 annually	\$64.00
DEVELOPMENT SERVICES		
Specific Hazard Permits		
Aerosol Products	\$488.00 annually	\$437.00
Bowling Alley and Pin Refinishing Involving the use of Flammable Liquids	\$1,138.00 each	\$1,019.00
Candles and Open Flames in Assembly Areas	\$391.00 annually	\$349.00
Carnivals and Fairs	\$189.00 each	\$1,456.00
Cellulose Nitrate Storage/Nitrate Film	\$113.00 annually	\$102.00
Hot Work (Welding) Operations	\$391.00 each	No Change
Liquid or Gas-Fueled Powered Equipment/Generator	\$391.00 each	\$349.00
Malls - Covered	\$782.00 annually	\$699.00
Occupant Load Increase - Temporary Public Assembly	\$391.00 each	\$349.00
Open Burning	\$391.00 each	\$349.00

Municipal Fee Schedule

Exhibit 2

Open Flame/Flame Producing Devices	\$391.00 each	\$349.00
Operate a Tank Vehicle to Transport Flammable/Combustible Liquids	\$553.00 per vehicle	\$495.00
Parade Float	\$122.00 per hour	\$351.00
Place of Assembly	\$782.00 per occurrence	\$703.00
Place of Public Assembly - Temporary	\$391.00 each	\$349.00
Tent or Air Supported Structure <i>Note: Tent or air-supported structure having an area in excess of 200 sq. ft. or canopies in excess of 400 sq. ft. Fee includes a public assembly permit of \$125.00 for all tents.</i>	\$307.00 each	\$734.00
Building New Fees		
Commercial & Residential windows, skylights and doors, New and alteration (structural) (per 5)		\$279.00
Commercial & Residential windows, skylights and doors, New and alteration (structural) (per 10)		\$140.00
Residential Reroof		\$279.00
Residential Reroof (overlay)		\$70.00
Commercial and multifamily reroof (first 5000 sf)		\$279.00
commercial and multifamily reroof (each additional 2500 sf)		\$70.00
Kitchen (non structural) per each		\$210.00
Bathroom (non structural) per each		\$279.00
Commercial & Residential Siding replacement or repair		\$140.00
commercial & Residential Stucco replacement or repair		\$210.00
Commercial doors, new and alteration (structural) per 5 doors		\$210.00
Commercial doors, new and alteration (structural) per 10 doors		\$140.00
Residential dry rot repair and replacement		\$70.00
Deck, new or repair up to 1000 sf		\$210.00
Deck, new or repair each additional 1000 SF		\$70.00
Sign permit		\$116.00
Residential and commercial window awnings (group of 5)		\$70.00
Cell Tower Equip		\$210.00

Municipal Fee Schedule

Exhibit 2

Utilities Handling Fee		\$116.00
Progress and partial inspections		\$56.00
Certifications		
Green Building - Special Inspector applications and qualifications (internal review)		\$395.00
Green Building - Special Inspector applications and qualifications (renewal update)		\$197.00
Special Inspections - materials testing lab certification (up to 4 hours)		\$1,579.00
Miscellaneous Building - base fee		\$115.00
Retaining Walls - first 100 LF		\$93.00
Retaining Walls - each additional 100 LF		\$46.00
Fees not listed above will either be based on an applicable hourly rate or at the given valuation		
Fire New Fee		
TCO fee for Vendors/Stock Occupancy (requires at least one additional inspection)		\$1,125.00
Emergency Responder Radio Coverage (testing) fee		\$492.00



City of Palo Alto

Finance Committee Staff Report

(ID # 8437)

Report Type: Action Items

Meeting Date: 9/19/2017

Summary Title: Development Services Cost of Services Study Phase Two and Reserve Fund Policy

Title: Discuss and Recommend the City Council Adopt an Ordinance Amending the Fiscal Year 2018 Municipal Fee Schedule to Reflect Development Services Cost of Services Study and a Reserve Fund Policy

From: City Manager

Lead Department: Development Services Department

Recommendation

Staff recommends that the Finance Committee recommend that the City Council adopt an ordinance (Attachment A) to adopt a reserve policy for the Development Services Department (Attachment B) and amend the Fiscal Year 2018 Municipal Fee Schedule to adjust the Development Services Municipal Fees (Attachment C), based on the completion of Phase Two of a Cost of Services Study.

Executive Summary

The Development Services Department (DSD) has completed Phase Two of a Cost of Services Study which analyzed construction project fees that are determined by the value of the project, otherwise known as valuation based fees. In addition to updating fees based on this study, DSD is recommending the implementation of a reserve policy to ensure operational continuity and provide City Council with alternative funding options during unpredictable financial periods.

Background

In 2015, the DSD retained the services of Capital Accounting Partners (CAP) to complete a cost of services study in *two phases*. This was the first cost of services study for development fees to come after the DSD was created in 2012 as an outcome of the City Manager's "Development Center Blueprint" project. The goal of the project was to restructure and adopt a more holistic approach to integrated development review, permitting services, and staff coordination in order to improve organizational efficiencies and minimize unnecessary costs and delays to property owners and developers. DSD is made up of key representatives from various different departments including the Planning and Community Environment, Public Works, Utilities, and Fire Departments. DSD works closely with these departments to ensure efficient, predictable, and transparent compliance with all development related construction regulations. DSD is responsible for post entitlement activities on private property. It does not oversee or have authority over the entitlement phase of development or construction occurring within the City's right of way such as streets or sidewalks. DSD does support construction of City facilities; however, these projects also pay fees for DSD services similar to city facilities paying for utilities.