



CITY OF WHEATLAND

CITY COUNCIL MEETING STAFF REPORT

September 8, 2020

SUBJECT: Adjustments to Planning and Engineering Deposit Requirements

PREPARED BY: Susan Mahoney, Finance Director

Recommendation

Approve Resolution 37-20 changing the deposit requirements for Planning and Engineering services related to development project application processing.

Background

The current Planning and Engineering deposit requirements related to development project application processing were adopted in January 2007 (Resolution 01-07). Certain application processing activities require a large deposit. The deposit amounts, calculated in 2007, were estimates of the average cost to complete the processing of an application. At project completion, and after the deposit is reduced by all consultant, contractor, and administrative fees, the applicant is either refunded the balance of the deposit amount or charged for any costs that exceed the deposit amount.

The required deposit amounts are increased each year based on the change in the consumer price index. To cover City employee and administrative costs, a charge of 37% of consultant and contract charges is assessed (administrative fee). This amount is reduced to 10% for consultant and contract charges related to the preparation of an environmental impact report.

Discussion

Staff feels that Planning and Engineering deposit requirements related to development project application processing can be structured in a way that encourages development in Wheatland while ensuring that the City recovers all associated costs. The following changes are recommended:

1. Change all initial deposit amounts to \$1,000. The \$1,000 will be used to pay the City's contract planner or contract engineer to develop an estimated total cost to process the development application.
2. The estimated cost to process the application will be charged to the applicant as an additional deposit. Contract and consultant staff will receive authorization from the City to

begin processing the application once the additional deposit amount is received by the City and the required *City of Wheatland Funding Agreement for Development Project Application Processing* form is approved by the City Manager.

3. If the cost of processing the application exceeds the deposited amount, the applicant will be required to remit an additional deposit amount before work continues.
4. When the development application process is complete, any remaining deposit amount will be refunded to the applicant.
5. The administration fee will be reduced to 20% from 37% and the administration fee for environmental impact reports will remain at 10%.

CURRENT DEPOSIT AMOUNTS

| Development Project | Deposit Amount |
|--|-----------------------|
| Design Review Processing | \$3,876 |
| Environmental Impact Report | No deposit required |
| General Plan Amendment | \$29,063 |
| Initial Environmental Assessment | \$29,063 |
| Tentative Parcel w/o Environmental Review | \$4,844 |
| Tentative Parcel with Environmental Review | \$19,376 |
| Tentative Subdivision Map | \$29,063 |
| Use Permit | \$4,844 |
| Variance | \$2,906 |
| Zone Change Application | \$29,063 |
| Encroachment Permit | \$1,939 |
| Final Parcel Map | \$2,906 |
| Final Tract Map | \$2,906 |
| Lot Line Adjustment | \$1,939 |

Alternatives

1. Direct staff to keep the existing deposit amounts for Planning and Engineering development project application processing.
2. Direct staff to set alternative deposit amounts.

Fiscal Impact

There is no cost to adjusting the initial deposit amount. Project specific cost estimates will provide the applicant with a more precise estimate of the cost to process their application and requiring contractors and consultants to receive authorization from the City before processing an application will help to ensure all cost are recovered.

Attachments

1. Reso 37-20

RESOLUTION NO. 37-20

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF WHEATLAND
CONCERNING ADJUSTED DEVELOPMENT PROJECT APPLICATION
PROCESSING FEES**

BE IT RESOLVED by the City Council of the City of Wheatland as follows:

1. The City Council finds and determines as follows:

a. The City of Wheatland regularly processes and decides various subdivision, zoning, planning, building and other development project applications and related matters. These tasks require the time and services of various City employees, contract staff and other consultants and other processing related costs. The processing of a development project application also regularly includes the preparation of environmental review documents pursuant to the California Environmental Quality Act and CEQA Guidelines (“CEQA”). These tasks, services and costs uniquely benefit the project applicants and other persons requesting the service.

b. The City Council has determined that it is in the best interests of the City and its residents and taxpayers that the cost of processing development project applications and related matters should not be paid by the City taxpayers and residents generally or by the general fund, but rather should be borne by the applicants and other persons requesting the service.

c. The City has not updated its development project application processing fees since 2007.

d. The fees and charges adopted by this resolution do not exceed the estimated reasonable costs of providing the services for which the fee is charged or for reimbursing the City or funding landowners for such services.

e. The City Council has conducted a duly noticed public hearing on this resolution and the proposed fee changes pursuant to Government Code section 66016, and it has considered the written and oral comments received at that public hearing.

f. This resolution is adopted pursuant to California Constitution article XI, section 7, Government Code sections 65102 – 65104 and 66014, CEQA Guidelines section 15045, Wheatland Municipal Code sections 17.10.010 – 17.10.040 and 18.79.020, and other applicable law.

2. Development Project Application Processing Fee Policy.

a. It is the policy of the City that the processing fee for subdivision, zoning, planning, design review and other development project applications and matters described in Exhibit A, attached hereto and incorporated herein (collectively “Development Project Applications”) shall be based on the final actual cost to process and decide the application with initial costs covered by a fee deposit. Applicants for Development Project Applications shall pay or reimburse to the City the final actual costs (as defined below) of processing and deciding the application. Applicants shall be required to

pay or reimburse such costs even if the application is withdrawn, denied, approved subject to conditions, or modified.

b. Each applicant for a Development Project Application shall pay an initial fee deposit in the amount set forth on Exhibit A for each permit or approval. The initial fee deposit will be used to pay the City's cost to develop a project specific cost estimate to process the development application. Should the applicant wish to continue with the application after receiving the cost estimate, the applicant must approve and sign the standard *City of Wheatland Funding Agreement for Development Project Application Processing* in the form approved by the City Manager before processing begins. Approval and execution of the funding agreement are required in order for a Development Project Application to be considered complete. The applicant shall pay to the City deposits and sums as required by the funding agreement and this resolution. The City Manager is hereby authorized and directed to approve, modify, and execute the *City of Wheatland Funding Agreement for Development Project Application Processing*. The City Manager may waive or modify the written funding agreement requirements for Development Project Applications; however, the applicant shall remain liable for the final actual costs of processing the application.

c. The "actual costs" of processing and deciding a Development Project Application shall include the actual labor, materials and costs billed to the City by the City contract staff and consultants (including, but not necessarily limited to, planning, engineering, environmental consultant and legal services) assigned to process and/or advise on the Development Project Application, and including their tasks and services on the following: pre-application review and consultation; review and analysis of the application and related plans; research and site visits; environmental review and preparation of documents pursuant to CEQA; preparation of staff reports and recommendations, conditions, resolutions, ordinances, findings, maps, exhibits and other application-related documents; meetings and conferences among City staff, departments and outside agencies; attending and participating in Planning Commission, City Council and other public hearings, meetings and appeals. The actual costs also shall include a 20% City administrative charge that shall be added to the contract staff and consultant charges to cover City costs related to (i) employee and administrative expenses related to processing and deciding the application, (ii) utilization of City Hall space, and (iii) managing and administering the contract staff and consultants. For contract staff and consultant charges relating to the preparation of an environmental impact report, the City administrative charge shall be reduced to 10%.

d. The City processing fee for the following matters shall be on a flat fee basis and not based on full cost billing (see Exhibit A): zoning and burn down letters; appeals to City Council; and, Planning Commission or City Council special meetings requested by the applicant.

3. The fee deposit amounts in section 2(d) shall be adjusted each January 1 (commencing January 1, 2021) to reflect the increase in the cost of living during the previous year based on the percent change for the previous year in the Consumer Price Index for All Urban Consumers for the San Francisco-Oakland-San Jose area, as reported by the U.S. Bureau of Labor Statistics.

4. This resolution supersedes all prior City fees and fee policies that are inconsistent with the fees and fee policies established by this resolution. City Council Resolution No. 01-07 (adopted January 23, 2007) is hereby repealed.

5. This resolution does not affect or apply to building permit and plan review fees. Those fees shall continue to be levied and collected pursuant to Ordinance No. 339.

PASSED AND ADOPTED by the City Council of the City of Wheatland on the 8th day of September 2020 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Rick West, Mayor

Attest:

Lisa J. Thomason, City Clerk

EXHIBIT A

| Fees by Department | Current Fee/Deposit | Fee/Initial Deposit |
|--|------------------------|------------------------|
| Planning | \$ | \$ |
| Zoning Letter | 357 | 357 |
| Initial Environmental Assessment | 29,063 | 1,000 |
| Environmental Impact Report | N/A | 1,000 |
| Tentative Tract (Subdivision)Map | 29,063 | 1,000 |
| Tentative Parcel Map w/o Env. Review | 4,844 | 1,000 |
| Tentative Parcel Map with Env. Review | 19,376 | 1,000 |
| Tentative Tract Map | 29,063 | 1,000 |
| Zone Change Application | 29,063 | 1,000 |
| Variance | 2,906 | 1,000 |
| Use Permit | 4,844 | 1,000 |
| City Council Appeal | 1,415 | 1,415 |
| Special Meeting of Planning Commission | 2,829 | 2,829 |
| Special Meeting of City Council | 2,829 | 2,829 |
| General Plan Amendment | 29,063 | 1,000 |
| Design Review Processing | 3,876 | 1,000 |
| | | |
| Engineering | \$ | \$ |
| Final Tract Map | 2,906 | 1,000 |
| Final Parcel Map | 2,906 | 1,000 |
| Check Improvement Plans | 1.5% of value | 1.5% of value |
| Improvement Inspection | 1.5% of value | 1.5% of value |
| Lot Line Adjustment | 1,939 | 1,000 |
| Encroachment Permits | 1,939 | 1,000 |
| Burn Down/Zoning Letter | 357 | 357 |