



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Margaret McCahan

**SUBJECT:** 2019-2020 PROPOSED FEES  
& CHARGES REPORT  
AMENDMENTS

**DATE:** May 30, 2019

Approved

Date

5-30-19

## RECOMMENDATION

Approve amendments to the 2019-2020 Proposed Fees and Charges Report as described in Attachment A.

## BACKGROUND

The 2019-2020 Proposed Fees and Charges Report released on May 3, 2019 identified the majority of the proposed fees and charges accruing to the General Fund and selected fees and charges associated with other funds. Subsequent to the release of that report, the Administration is recommending further amendments to more accurately align fees with activities and the departmental fees and charges resolutions, and to correct for minor errors during the initial preparation.

## ANALYSIS

The following are descriptions of the recommended changes to the 2019-2020 Proposed Fees & Charges Report. Please refer to Attachment A for full details of the amendments.

- ***Fire Department***

The 2019-2020 Proposed Fees and Charges Report initially recommended that the San Jose Prepared! Course Fee remain at \$50 as adopted in 2018-2019. However, this course should have been marked as "Delete" in the 2019-2020 Fees and Charges document as it is not currently being offered in this fashion. The emergency preparedness courses are currently being offered at no cost to residents by the Office of Emergency Management in the City

Manager's Office. If a fee should be needed in the future, the fee will be re-evaluated and brought forward at that time. No revenue was assumed from the fee in the 2019-2020 Proposed Budget.

- ***Planning, Building and Code Enforcement***

In the Planning Fee area, the addition of the Off-Site Tree Replacement Fee of \$755 is recommended. Staff inadvertently excluded this fee from the 2019-2020 Proposed Fees and Charges Report. In November 2018, the City Council adopted a resolution amending the 2018-2019 Planning Schedule of Fees and Charges to establish an Off-Site Tree Replacement Fee of \$755 relating to tree removal or entitlement permits, and additionally to formalize a tree replacement process for subject permit applicants between the Planning Division and the Department of Transportation. Further, the Refund Processing Fee (for withdrawal, cancellation or overpayment) in the Record Retention/Microfilming section is recommended for deletion as the department has changed its method of retaining records.

In the Building Fee area, a few revisions to Building Permit Processing Fees/Alterations and Site Accessory are recommended to adjust the base tier used to calculate the fee cost, resulting in a lower cost fee. A tier represents the amount of hours needed to complete a task. As part of the phased implementation of the fee changes recommended in the *City of San José Development Services Cost Recovery Analysis, Process Improvements, Calculation of Unearned Revenues, and Refund Processing Report* that was accepted by the City Council in December 2016, the methodology to calculate the Alteration and Accessory fees was changed from base hours to tiers. After additional review of the methodology subsequent to the publication of the 2019-2020 Proposed Fees and Charges Report, staff determined that the Trailers Installed and Trellis (s) Patio Covers fee should be calculated based on the next lower tier to ensure that fees do not exceed cost recovery levels. Though this change results in a lowering of fees, the magnitude of revenue expected from these fees is expected to have minimal impact on the resources available to the Building Development Fee Program. Any necessary adjustments to the 2019-2020 Building Development Fee Program revenue estimate will be brought forward during 2019-2020 based on actual performance.

- ***Police Department***

The 2019-2020 Proposed Fees and Charges Report initially recommended no changes to the Cannabis Zoning Code Verification Certificate Application Processing Fee and the Police Department Cannabis Sworn Hourly Inspection Fee from the 2018-2019 Adopted levels. These fees are designated as Category I fees, which should be at the full cost recovery level. After the release of the 2019-2020 Proposed Fees and Charges Report, staff realized these fees were not updated to reflect full cost recovery. The Administration recommends increasing the Cannabis Zoning Code Verification Certificate Application Processing Fee from \$2,358 to \$2,475 per application; plus the Planning Services hourly inspection fee per hour after six hours and the Code Enforcement Inspector hourly rate after four hours. In addition, the Administration recommends decreasing the Police Department Cannabis Sworn

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Hourly Inspection Fee from \$202 per hour to \$162 per hour. These changes are not expected to impact estimated Fees, Rates and Charges revenue in the General Fund, as processing requirements infrequently exceed baseline time allotments and no Zoning Code Verification Certificate Applications were anticipated in 2019-2020.

Additional Cannabis Fee program revisions are recommended to update the fee descriptions, as described in Attachment A, to cross reference applicable hourly rates.

- ***Public Works Department***

To be consistent with language in Chapter 13.06 and 13.07 of Title 13 of the San José Municipal Code as modified on May 1, 2018 related to City Hall Rental, this memorandum recommends renaming the fees for Stage (4' x 8' / up to 24' x 32') to Stage (6' x 8' / up to 24' x 32') and Tables 6ft x 8ft (includes set-up) to Tables 30" x 72" or 30" x 96". The Rotunda (Saturday) fee is recommended for deletion as it already reflected in Rotunda – Weekends (8-Hr Minimum). Other minor changes to the lectern/podium fees are also recommended as described in Attachment A.

Additionally, some minor fee revisions to the Public Works Development Fees (Hazard Zone Clearance; Flood Zone; Miscellaneous Fees and Charges; and Streetlights/Traffic) and the addition of omitted fees (Document Research Fee; Permit Specialist and Planning Commission Hearing) are recommended to correct errors that occurred during the initial preparation of the 2019-2020 Proposed Fees and Charges Report as described in Attachment A. These edits do not affect the revenue estimates.

## **COORDINATION**

This memorandum has been coordinated with the City Attorney's Office, the Fire Department, the Planning, Building and Code Enforcement Department, the Police Department, and the Public Works Department.



Margaret McCahan  
Budget Director

Attachment A: Amendments to the 2019-2020 Proposed Fees and Charges Report

## AMENDMENTS TO THE 2019-2020 PROPOSED FEES AND CHARGES REPORT

DESCRIPTION	PROPOSED DOCUMENT FEE	REVISED FEE
<b>FIRE</b>		
<b>Fire Prevention Non-Development Program Fees - Category 1</b>		
<b><u>1. Miscellaneous Fees</u></b>		
12. San Jose Prepared! Course Fee	No Change (\$50)	Delete
<b>PLANNING, BUILDING AND CODE ENFORCEMENT</b>		
<b>Planning Fee Program - Category I</b>		
<b><u>17. Record Retention/Microfilming</u></b>		
3. Record Retention/Microfilming: Refund Processing Fee (for withdrawal, cancellation or overpayment)	No Change (\$35)	Delete
<b><u>25. Tree Removal Permit</u></b>		
5. Off-Site Tree Replacement Fee	N/A	\$755
<b>Building Permit Processing Fees - Non-Residential</b>		
<b><u>Exhibit L</u></b>		
<b>Alterations and Site Accessory</b>		
Trailers Installed	\$387	\$217
Trellis(s) Patio Covers	\$208	\$124

## AMENDMENTS TO THE 2019-2020 PROPOSED FEES AND CHARGES REPORT

DESCRIPTION	PROPOSED DOCUMENT FEE	REVISED FEE
<b>POLICE</b>		
<b><u>3. Cannabis Fees</u></b>		
1. Amendment processing fee	\$1,416 per application; plus Code Enforcement Hourly Inspection Fee of \$136/hour after 1 hour; plus Police Department Cannabis Sworn Hourly Investigation Fee of \$202/hour after 3.5 hours	\$1,416 per application plus Code Enforcement Inspector Hourly rate per hour after 1 hour; plus Police Department Cannabis Sworn Hourly Inspection Fee per hour after 3.5 hours
9. Initial application processing fee	\$3,583 per application; plus Code Enforcement Hourly Inspection Fee of \$136/hour after 6 hours; plus Police Department Cannabis Sworn Hourly Investigation Fee of \$202/hour after 9 hours	\$3,583 per application; plus Code Enforcement Inspector Hourly rate per hour after 6 hours; plus Police Department Cannabis Sworn Hourly Inspection Fee per hour after 9 hours
11. Police Department cannabis sworn hourly inspection fee	No Change (\$202 per hour)	\$162 per hour
12. Renewal registration processing fee	\$3,135 per application; plus Code Enforcement Hourly Inspection fee of \$136/hour after 4 hours; plus police Department Cannabis Sworn Hourly Investigation Fee of \$202/hour after 7 hours	\$3,135 per application; plus Code Enforcement Inspector Hourly rate per hour after 4 hours; plus Police Department Cannabis Sworn Hourly Inspection Fee per hour after 7 hours
13. Zoning code verification certificate application processing fee	No Change (\$2,358 per application; plus Planning Services Hourly Inspection Fee of \$280 per hour after 4 hours; plus Code Enforcement Hourly Inspection Fee of \$136 per hour after 4 hours)	\$2,475 per application; plus Planning Services Hourly Inspection Fee per hour after 6 hours; plus Code Enforcement Inspector Hourly rate per hour after 4 hours

## AMENDMENTS TO THE 2019-2020 PROPOSED FEES AND CHARGES REPORT

DESCRIPTION	PROPOSED DOCUMENT FEE	REVISED FEE
<b>PUBLIC WORKS</b>		
<b>Use of City Hall - Category II</b>		
<b><u>5. Indoor Meetings/Events (Non-Profit &amp; Government)</u></b>		
9. Rotunda (Saturday)	No Change (\$1,200 per 8 hours, \$150 per additional hour)	Delete
<b><u>7. Other Fees and Charges</u></b>		
7. Lectern/Podium	Description change	Description change
7. Lectern/Podium	\$45	\$35
8. Podium rental late order	\$30	\$45
16. Stage (6' x 8' / up to 24' x 32')	Description change only	Description change only
19. Tables 30" x 72" or 30" x 96"	Description change only	Description change only
<b>Development Program Fees - Category I</b>		
<b><u>29. PW15: Hazard Zone Clearance: Flood Zone</u></b>		
5e. Existing Accessory Structure: Substantial Improvement Requiring Floodproof Mitigation	\$309 per structure	Time and Materials (\$309 minimum) + Record Retention Fee
10j. Existing Structure: Substantial Improvement Requiring Floodproof Mitigation	\$309 per structure	Time and Materials (\$309 minimum) + Record Retention Fee
<b><u>30. PW16: Mapping and Vacations/Abandonments</u></b>		
18. Planning Commission Hearing	N/A	\$582 + Record Retention Fee
<b><u>33. PW19: Miscellaneous Fees &amp; Charges</u></b>		
4. Document Research Fee: Clerical	\$36 minimum/\$72 per hour	Time and Materials
24. Document Research Fee: Permit Specialist	N/A	Time and Materials
<b><u>34. PW21: Streetlights/Traffic</u></b>		
5e. Streetlight Design (>20 Streetlights)	\$23,708 + \$619 each additional light >20 + Record Retention	\$23,711 + \$619 each additional light >20 + Record Retention

AMENDMENTS TO THE 2019-2020 PROPOSED FEES AND CHARGES REPORT

DESCRIPTION	PROPOSED DOCUMENT FEE	REVISED FEE
9i. Streetlight Review (>20 Streetlights)	\$15,341 + \$387 each additional light >20 + Record Retention	\$15,337 + \$387 each additional light >20 + Record Retention
13m. Streetlight Inspection (>20 Streetlights)	\$22,057 + \$585 for each additional light >20 + Record Retention	\$22,059 + \$585 for each additional light >20 + Record Retention