



DEVELOPMENT SERVICES FEE UPDATE

City Council Meeting
November 4, 2025

Gabe Osburn, Director
Planning & Economic Development

BACKGROUND

2004 – Financial Strategies Adopted

- Established a policy goal of full cost recovery for development-related services: “For all services determined to be development-related, a cost recovery level of 100% is desired.”

March 5, 2024 – Comprehensive Fee Update

- Set fees at full cost
- Resulted in both increases and decreases
- Approved targeted fee reductions to advance City development goals

February 4, 2025 – Council Study Session

- Reviewed community feedback on the adopted fee schedule
- Discussed proposed refinements to address feedback and improve efficiency

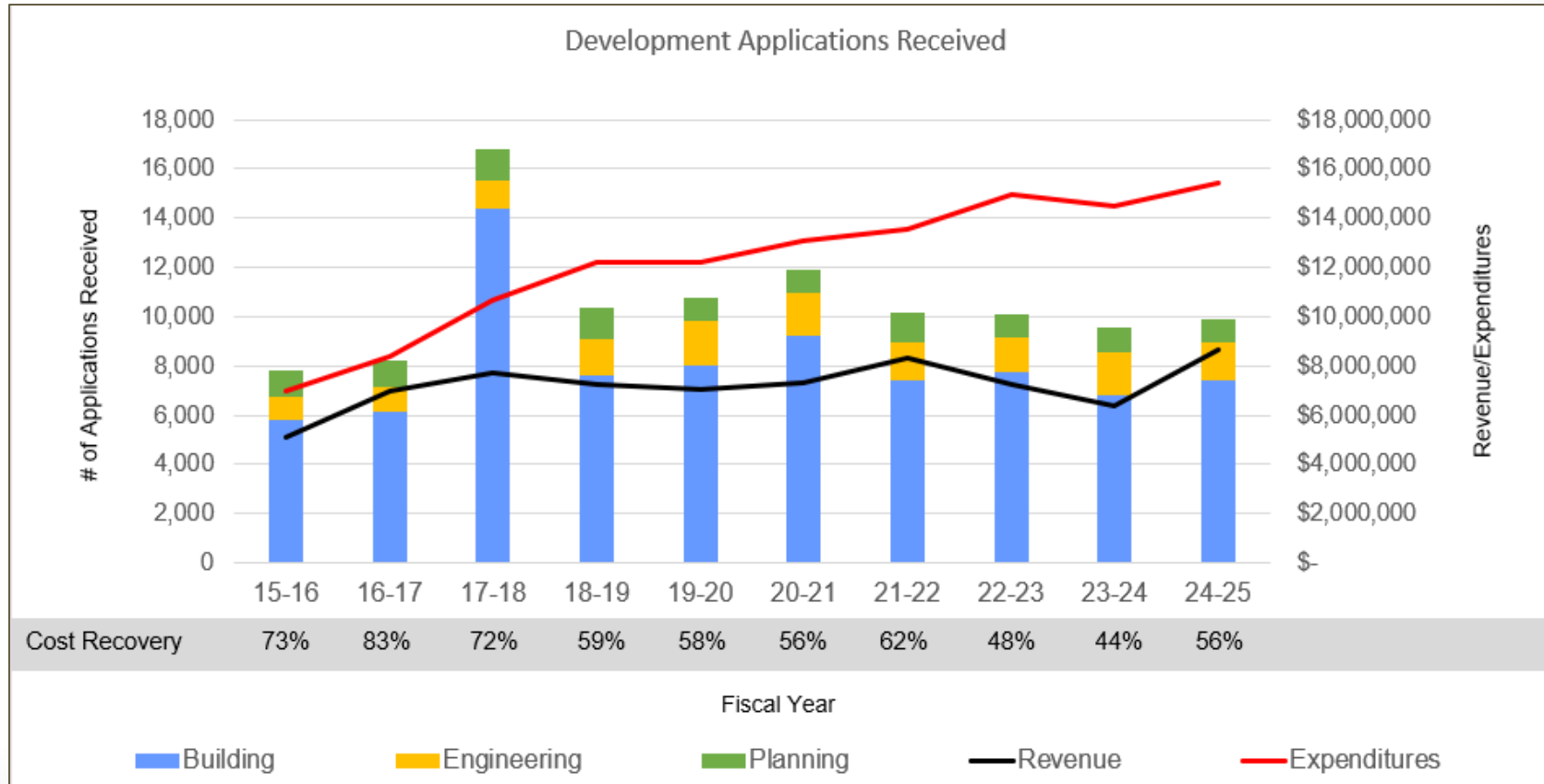
ANNUAL REVIEW

Annual Review Objectives

- Assess real-world application of the fee structure and project impacts
- Document issues and potential solutions identified through implementation
- Gather community feedback on adopted fees
- Enable Council to make timely adjustments without major delays

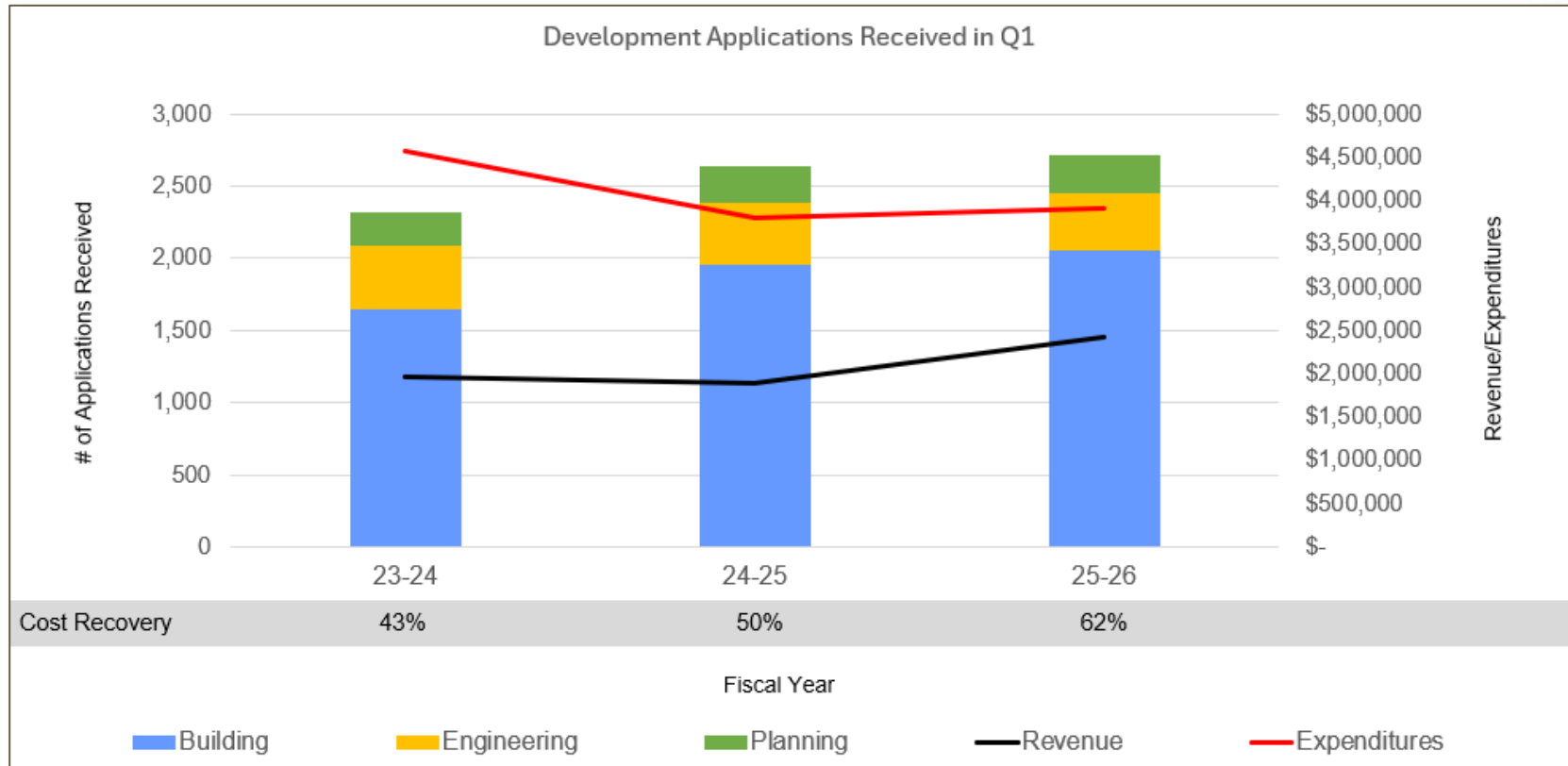
PERMITTING REVENUE & EXPENDITURES

FISCAL YEAR TOTALS



PERMITTING REVENUE & EXPENDITURES

FISCAL YEAR FIRST QUARTER TOTALS



PROPOSED FEE CHANGES

GENERAL FEES

Fee Type	Change Type	Current Basis	Current Fee	Proposed Adjustment
Advanced Planning Surcharge	Reduction	12.26% on existing building, planning, and engineering fees	Varies, currently no cap	Cap at \$5,000
Technology Surcharge	Reduction	5.69% on existing building, planning, and engineering fees	Varies, currently no cap	Cap at \$2,500
Application Extension	Neutral	Two separate duplicative fees	\$28.96 and \$155.94	Single fee \$76

PROPOSED FEE CHANGES

PLANNING FEES

Fee Type	Change Type	Current Basis	Current Fee	Proposed Adjustment
Hillside Development Director Review	Increase	Applies to reconstruction due to natural disaster on hillsides	No current fee	Set fee at \$838
Tree Removal	Reduction	Applies to removal of trees on private property	Single Fee \$1,677	<u>Tiered fee:</u> Tier 1 – \$118 Tier 2 – \$353 Tier 3 – \$706
Multiple Entitlement Applications for Single Project	Reduction	Multiple entitlements required for a single project	Varies, currently pay per application	Apply current published fee for highest application; 50% reduction for all additional applications

PROPOSED FEE CHANGES

PLANNING FEES - CONTINUED

Fee Type	Change Type	Current Basis	Current Fee	Proposed Adjustment
Parcel Map Waiver	Decrease	Applies to waiver parcel requirement on minor subdivision proposals	\$8,958	\$2,047
Environmental Document Creation and Review	Neutral	Applies to creation and review of environmental documents	Currently no fee for legal counsel	Applicant pays full CEQA consultant costs and outside counsel fees
Minor Summary Vacations	Decrease	Adds new fee category for right-of-way vacations that are minor in scope	\$9,620	\$2,974

PROPOSED FEE CHANGES

ENGINEERING FEES

Fee Type	Change Type	Current Basis	Current Fee	Proposed Adjustment
Encroachment Permit – Debris Container	Reduction	Placement of debris bin in public right-of-way	\$399.57	\$136
Single Lot Commercial Sidewalk Replacement	Reduction	Encroachment permit for replacing less than 100' of public sidewalk along a single commercial lot	Varies, currently no limit on length of replacement	50% reduction; average permit fee ≈ \$600
Certificate of Compliance	Increase	Determines legal status of existing parcels and enables new minor subdivisions	Single fee \$1,555.16	Subdividing Land - \$1,539 Standard - \$2,173

PROPOSED FEE CHANGES

BUILDING FEES

Fee Type	Change Type	Current Basis	Current Fee	Proposed Adjustment
Plan Review and Inspection – New Construction	Increase	Establishes minimum plan review and inspection fee on small projects	Varies, no current minimum	Plan check fee: \$126 Inspection fee: \$102
Temporary Certificate of Occupancy	Increase	Additional inspections associated with temporary occupancy prior to permit final	\$193.04	\$580
Type I and II Exhaust Hood	Increase	Standalone installation of specialized exhaust hood systems	\$166.49	\$569

FISCAL IMPACT

- Majority of proposed fee modifications involve either low-dollar amounts or involve permit types with low usage.
- Proposed fee reduction associated with multiple entitlement application for a single project and single lot sidewalk restoration have biggest impact on revenue.
- Under normal permitting volumes, modifications are anticipated to reduce annual revenue by approximate **\$40,000** per year.

RECOMMENDATION

- Amend fees per Exhibit A attached to resolution
- Fees take effect 60 days after resolution adoption
- Authorize the Planning and Economic Development Director to adjust all fee types identified within Attachment 1 on July 1st of each year based on price changes as identified by the Consumer Price Index