



Administrative Report

L.3., File # 22-4338

Meeting Date: 6/21/2022

To: MAYOR AND CITY COUNCIL
From: JENNIFER PAUL, FINANCE DIRECTOR

TITLE

PUBLIC HEARING TO CONSIDER PROPOSED USER FEE AMENDMENTS FOR THE COMMUNITY DEVELOPMENT AND PUBLIC WORKS DEPARTMENTS

ADOPT BY TITLE ONLY RESOLUTION NO. CC-2206-042, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, AMENDING THE COMMUNITY DEVELOPMENT DEPARTMENT USER FEES

ADOPT BY TITLE ONLY RESOLUTION NO. CC- 2206-043, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, AMENDING THE PUBLIC WORKS DEPARTMENT USER FEES

PROCEDURES:

- a. Open Public Hearing, take testimony; and
- b. Close Public Hearing; and
- c. Adopt by title only Resolution No. CC- 2206-042; and
- d. Adopt by title only Resolution No. CC- 2206-043.

EXECUTIVE SUMMARY

The City strives to maintain the community's quality of life through the excellence of our municipal services. To preserve the City's ability to provide these services, selected fees covering costs are proposed for update. While the City consistently looks for ways to trim costs, it must also regularly review the City's fees and possibly adjust fees to reflect each service's delivery expenses. Proposed for City Council consideration are adjustments to Public Works and Community Development Department fees.

BACKGROUND

In order to most accurately reflect the delivery cost for the various services provided by the City, the fees charged by City Departments are regularly reviewed. At this time, fees associated with services provided by the Public Works and Community Development Departments are proposed for adjustment. The fee adjustments identified for FY 2022-23 consideration are as follows:

Community Development Department

Per Decision Package #1 - Increase Community Development Department Fees by 3%. An increase to the Community Development Department Fees of 3% is requested to adjust for higher department

operating costs. The increase will be reflected in the proposed master fee schedule update and is anticipated to increase General Fund revenues by 112,750 annually. Recommended is an ongoing increased adjustment to General Fund Revenues in the amount of \$112,750.

Per Decision Package #2 - Fee Adjustment for Plan Check of Commercial Tenant Improvements. The current Planning Division plan check fee for commercial tenant improvement projects is a flat rate of \$110, regardless of project size. Projects of larger scope, like commercial tenant improvements, currently pay the same rate as smaller projects. Adjusting the fee to 10% of the building permit cost would make the fee reflective of overall project valuation and would align with industry standards. The rate adjustment is projected to increase General Fund revenues by \$10,000 annually and would be included in the proposed master fee schedule update. Recommended, is an ongoing increased adjustment to General Fund Revenues in the amount of \$10,000.

Public Works Department

Per Decision Package #3 - Establish a Flat Outdoor Dining Fee, assessed monthly, of \$2 per Square Foot (SF) for Use of City Owned Street Right-of-Way. Historically, the City has charged a fee for encroachment permits that would allow restaurants to offer outdoor dining to patrons. The onset of the COVID-19 pandemic forced the closure of most dining establishments. Once permitted to re-open, restaurants were limited to only serving customers outdoors. In an effort to support the local business community, the City waived all fees associated with establishing sidewalk and parklette dining. As the City emerges from the pandemic, and as restaurants are now permitted to have indoor dining at full capacity, the City must seek to recoup funds for the use of public right-of-way for this purpose. Recommended is a monthly \$2/SF fee for occupation of street right-of-way (which includes sidewalks and roadways) for restaurant use. If implemented as part of the master fee schedule update, the fee is estimated to generate approximately \$410,300 in ongoing revenue for the City's General Fund assuming all current restaurant use continues. Recommended, is an ongoing increased adjustment to General Fund Revenues in the amount of \$410,300.

COORDINATION

Communication of the Public Hearing for the proposed user fee revisions has been conveyed to the public through the publication of a Public Hearing Notice in the Easy Reader, at City Hall, and on the Financial Services webpage.

Under the direction of the City Manager's Office, the Community Development, Public Works, and Financial Services Departments participated in the preparation of the proposed fee amendments. The resolutions were approved as to form by the City Attorney's Office.

FISCAL IMPACT

Department	Fund	Estimated Additional Annual Revenue
Community Dev. Dept.	General Fund	\$122,750
Public Works	General Fund	\$410,300
Total		\$533,050

APPROVED BY:

Mike Witzansky, City Manager

ATTACHMENTS

- Attachment 1 - Resolution Amending Community Development Dept. User Fees
- Attachment 2 - Resolution Amending Public Works Dept. User Fees