

City of Hesperia

STAFF REPORT



DATE: March 17, 2020

TO: Mayor and Council Members
Chair and Board Members, Hesperia Water District
Chair and Board Members, Hesperia Housing Authority
Chair and Board Members, Hesperia Community Development Commission

FROM: Nils Bentsen, City Manager

BY: Mike Blay, Assistant City Manager
Tina Bulgarelli, Administrative Analyst

SUBJECT: Joint Resolution Amending the City-Wide Fee Schedule

RECOMMENDED ACTION

It is recommended that the Council and respective Boards adopt Joint Resolution No. 2020-13, Resolution No. HWD 2020-08, Resolution No. HHA 2020-03, Resolution No. HCDC 2020-02, amending Joint Resolution No. 2018-21, Resolution No. HWD 2018-07, Resolution No. HHA 2018-04, and Resolution No. HCDC 2018-04 amending the City-Wide fee schedule.

BACKGROUND

On October 4, 2016, the City Council approved amendments to the City-Wide Fee Schedule related to several Senate Bills (SB 1473, SB 1186) and DUI Emergency Cost Recovery.

On December 6, 2016, the City Council approved amendments to the City-Wide Fee Schedule. These amendments included an attachment related to the fees charged for Fire Services, commonly known to the fee schedule as Appendix "B".

On October 3, 2017, the City Council approved amendments to the City-Wide Fee Schedule. These fees included changes to Engineering fees, water meter costs, Planning and Building and Safety fees, and new hourly rates for costs reasonably borne.

On January 16, 2018, the City Council approved an amendment to the City-Wide Fee Schedule related to plan review for on-site grading for Engineering.

On April 17, 2018, the City Council approved an amendment to the City-Wide Fee Schedule related to fees charged during real estate transactions.

On August 21, 2018, the City Council approved an amendment to the City-Wide Fee Schedule authorizing fees related to oversize vehicle parking, and adopting the San Bernardino County Fire Protection District Fee Schedule in correspondence with the Fire District Annexation.

On December 18, 2018, the City Council approved an amendment to the City-Wide Fee Schedule related to fees for Sidewalk Vending permits.

On November 19, 2020 the City Council approved an amendment to the City-Wide Fee Schedule related to the cost of water supplemental fees.

ISSUES/ANALYSIS

The following fee schedule revisions are recommended:

Business License

A new fee for the Stormwater program is recommended. This fee is related to Senate Bill 205, which requires certain types of commercial or industrial businesses to register their business with an appropriate SIC code and obtain an Industrial General Permit from the state. The law also requires the City to alert Lahontan if the business does not register with the State of California for an industrial permit. Staff is recommending this as an investigative fee to recover the cost of investigating each SIC code provided and researching whether the business has the required general permit.

Planning

The Planning Division is charged with reviewing documents related to land use entitlement. At times, a customer submits a plan for review by the Planning Division and after approval, decides to change elements of the design that make either minor or major changes to the approved site. The fee for a revised Conditional Use Permit and a Revised Site Plan Review have traditionally been the same, regardless of the amount of design changes made after approval. Staff is recommending creating two separate fees, one for minor revisions, which is the fee that is charged now, and one for major revisions to recover the cost of doing a complete review of a site that is substantially changed after approval. These substantial changes often involve movement of lot lines, placement of buildings, driveway access, etc. and so must be reviewed in totality by the Development Review Committee. Increasing the fee for major revisions will ensure that the City is recovering its costs when a project is revised substantially after approval.

The second set of changes to the Planning fees have to do with the hourly rates adopted in 2017. This is a clean-up item to revise fees that were previously notated at the old hourly rate and updating them to the new hourly rate for planning to continue to recover costs.

There are also several items that staff recommends deleting. These recommendations include notating cost reasonably borne (CRB) on fee line items instead of on an as needed basis and items related to the stormwater program which are recommended to be moved to the NPDES Program fee section.

Engineering Fees

During the review process staff collects a traffic impact study from projects which require civil review of traffic impacts. TKE, the City's contract engineering firm, reviews the studies as the City does not have a traffic engineer on staff. As such, staff is recommending an update to the review fee to recover the cost of having TKE review the documents and provide comment.

Staff is also recommending a new fee related to the analysis of traffic studies. At times it is necessary to determine whether a project will require a full traffic study and staff does not believe that charging the full study fee is appropriate. Staff is recommending a fee for a traffic

impact analysis review, which is a preliminary review of the project and some components of the traffic that will indicate whether a full traffic study is required. This process is happening currently, however, a lower fee is recommended as the process is less involved than a full traffic study. TKE 's traffic engineer also performs these reviews. Staff received these fee amounts from TKE for inclusion in the fee schedule.

Other changes to the Engineering fee schedule include removal of the stormwater related fees as it is recommended that they are located in a new section.

National Pollutant Discharge Elimination System Program (NPDES)

The City currently works under a Municipal Separate Storm Sewer System (MS4) permit from the State for the Stormwater program. The fees presented to Council for recommended adoption are designed to recover the cost of administering the program, for which the State did not allocate any local funding. The program has three components, first, during construction, plan review and inspection are performed, and second, a post-construction portion that requires staff to ensure that all Best Management Practices that were designed during the first component are applied and maintained.

The third part of the program deals with the business licensing and regulation of businesses with activities that the state believes could cause illicit discharge to enter the stormwater system. This portion of the program has three parts. The first part is the post-construction Best Management Practice (BMP) inspection. These inspections take place before building permit final to ensure that the development complies with the MS4 permit and has installed permanent BMP's. The second portion is related to businesses who each year must self-certify to the City that they have properly maintained the BMP's that were inspected pre-final. The owner is required to do this annually as part of the MS4 permit. The final part is related to the business license and is restricted to commercial or industrial businesses that fall under a specific SIC code and must obtain and maintain an industrial general permit (IGP). Staff will review these licenses each year and ensure that they are complying.

Supplemental Water Charges

On November 19, 2019 the Council adopted fees related to the Supplemental Water fee for Single Family Residential, Hotel, Motel and Multi-Family development. Staff is recommending adoption of a supplemental water fee related to commercial and industrial development. After review, staff believes that structuring the fee in the same way as Single Family Residential will adequately recover the cost of supplemental water for commercial and industrial development.

FISCAL IMPACT

Adoption of this resolution will allow the City to recover costs related to the major redesign of projects that have already received a land use entitlement, and update the fee schedule to include the proper hourly rate for planning related review.

Adoption of the NPDES program fees will allow the City to recover the cost of administering the MS4 Permit and all its various components.

Adoption of the supplemental water fee for commercial and industrial will complete the update to the supplemental water rates that was initiated in 2019.

Staff believes that by continuing to update the fee schedule as needed, the City can continue to recover costs and fine-tune any fees that require updating on a regular basis.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

1. Joint Resolution No. 2020-13, Resolution No. HWD 2020-08, Resolution No. HHA 2020-03, Resolution No. HCDC 2020-02
2. Exhibit "A" – Amendments to City-Wide Fee Schedule