



SPECIAL MEETING OF THE MILPITAS CITY COUNCIL

For assistance in the following languages, you may call:

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CITY OF MILPITAS - NOTICE OF SPECIAL MEETING

NOTICE IS HEREBY GIVEN that a Special Meeting of the Milpitas City Council will be held at 5:30 p.m. on Tuesday, April 30, 2019 in the Barbara Lee Senior Center, Rooms 140/141, located at 40. N. Milpitas Blvd., Milpitas, CA. Agenda for the meeting is as follows:

AGENDA

**TUESDAY, APRIL 30, 2019
BARBARA LEE SENIOR CENTER, ROOMS 140/141
40 N. MILPITAS BLVD., MILPITAS**

5:30 PM

CALL TO ORDER / ROLL CALL / PLEDGE

APPROVAL OF AGENDA

PUBLIC FORUM *Comments limited to 3 minutes or less*

ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS

AGENDA ITEMS

1. **Conduct a Public Hearing for Proposed Citywide Master Fee Schedule Changes for Fiscal Year 2019-20 (Staff Contact: Jane Corpus, 408-586-3125)**

Recommendation: Open the public hearing, take public comment, review and discuss Master Fee Schedule, and continue the public hearing to May 15, 2019.

2. **Approve and Authorize the City Manager to Execute an Agreement with Airbnb, Inc. for the Voluntary Collection of the City's Transient Occupancy Tax on Residential Short-Term Rentals (Staff Contact: Daniel Degu, 408-586-3054)**

Recommendation: Approve and authorize the City Manager to execute a Voluntary Collection Agreement with Airbnb, Inc. for collection of the City's Transient Occupancy Tax on Residential Short-Term Rentals, with negotiating authority granted to the City Attorney to negotiate better terms with Airbnb, Inc.

3. Receive Presentation from Staff and Discuss Preparation for General Plan Update Study Session on May 21, 2019 (Staff Contact: Ned Thomas, 408-586-3273)

Recommendation: Receive presentation from staff and consultant Barbara Nelson of FCS, and discuss preparation for the General Plan Update Study Session scheduled on May 21, 2019.

ADJOURNMENT

KNOW YOUR RIGHTS UNDER THE OPEN GOVERNMENT ORDINANCE

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and the City operations are open to the people's review.

For more information on your rights under the Open Government Ordinance or to report a violation, contact the City Attorney's office at Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, CA 95035
e-mail: cdiaz@ci.milpitas.ca.gov / Phone: 408-586-3040

The Open Government Ordinance is codified in the Milpitas Municipal Code as Title I Chapter 310 and is available online at the City's website www.ci.milpitas.ca.gov by selecting the Milpitas Municipal Code link.

Materials related to an item on this agenda submitted to the City Council after initial distribution of the agenda packet are available for public inspection at the City Clerk's office at Milpitas City Hall, 3rd floor 455 E. Calaveras Blvd., Milpitas and on the City website. All City Council agendas and related materials can be viewed online here: www.ci.milpitas.ca.gov/government/council/agenda_minutes.asp (select meeting date)

APPLY TO SERVE ON A CITY COMMISSION

Commission application forms are available online at www.ci.milpitas.ca.gov or at Milpitas City Hall. Contact the City Clerk's office at 408-586-3003 for more information.

If you need assistance, per the Americans with Disabilities Act, for any City of Milpitas public meeting, please call the City Clerk at 408-586-3001 or send an e-mail to mlavelle@ci.milpitas.ca.gov prior to the meeting. You may request a larger font agenda or arrange for mobility assistance. For hearing assistance, headsets are available in the City Council Chambers for all meetings.

Item Attachment Documents:

1. Conduct a Public Hearing for Proposed Citywide Master Fee Schedule Changes for Fiscal Year 2019-20

Recommendations:

Open the public hearing, take public comment, review and discuss Master Fee Schedule, and continue the public hearing to May 15, 2019.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Conduct a Public Hearing for Proposed Citywide Master Fee Schedule Changes for Fiscal Year 2019-20
Category:	Leadership and Support Services
Meeting Date:	4/30/2019
Staff Contact:	Jane Corpus, 408-586-3125
Recommendations:	Open the public hearing, take public comment, review and discuss Master Fee Schedule, and continue the public hearing to May 15, 2019.

Background:

The citywide Master User Fee Schedule (Master Fee Schedule) was last approved as a comprehensive document by the City Council in 2010. The proposed Master Fee Schedule (Attachment A) includes various service and user fees as well as fines and penalties. Since 2010, various departments have brought fee changes to the Council separately, however the impact of these fee changes were not considered during the annual budget process. This practice is not ideal since revenue assumptions in the budget did not align with the timing of the fee changes. Not having a consolidated and updated Master Fee Schedule also means that the public cannot find information about the current fees in an efficient and transparent manner. Furthermore, the fees have not been regularly evaluated to ensure alignment with the cost recovery targets outlined in the Municipal Code, Title IV, Chapter 3, Section 4.00. Staff has therefore consolidated all user fees, fines and permits into one Master Fee Schedule document and recommends bringing this forward annually for Council consideration as part of the budget process.

On April 16, the City Council reviewed recommendations based on a study done by Matrix Consulting Group (consultant) for development services' user fees and permits. Those recommended fee changes are also included in the proposed Master Fee Schedule.

Analysis:

The proposed Master Fee Schedule includes all user and service fees, fines, and penalties. Under State law, fees must be approved by the legislative body, i.e. the City Council in a public hearing. The Master Fee is organized by department, and it shows the department, fee area or type, fee name/description, the current fee, and the proposed fee for 2019-20. Once the Master Fee Schedule is adopted, fees will go into effect a minimum of 60 days from date of adoption. Development Services fees are recommended to go into effect on August 1, 2019.

User Fees and Permits

Under California law, user fees and permits may not exceed the reasonable estimated cost of providing a certain service to a customer. Reasonable estimated costs include all direct costs (labor, contract services, supplies and materials, equipment) as well as indirect/overhead costs (administrative costs legitimately charged to a department or program area as a result of a valid Cost Allocation Plan. Indirect/overhead costs include department administration and oversight costs, citywide administration and oversight costs (City Attorney, City Manager, and Finance Department) as well as indirect costs such as utility charges and facility maintenance charges.

Fines

Fines, as distinct from user fees and permits, are intended to encourage or discourage certain behaviors. As such, they are not constrained by charging only the cost of providing that service. However, they are included as part of the Master Fee Schedule.

Utility Fees/Rates

Although water and sewer rates/rates for the next five years were approved by Council in February 2019, they will be validated through the annual budget process and are thus included in the Master Fee Schedule, under a separate section. Staff recommends Council validate the 2nd year of the Water and Sewer rate plan as approved in February. The fees for water and sewer service included in the Master Fee Schedule do not exceed the maximum rates approved by the Council in February 2019.

Other Charges Not Included in Master Fee Schedule

There are separate approval processes, and legislative and public noticing requirements for the following types of charges. In addition, the following charges are typically brought to the City Council separately, and so these are not part of Master Fee Schedule:

- AB1600 Development Impact Fees;
- Landscape and Lighting District Annual Assessments;
- Community Facilities Districts Special Tax Levies; and
- Taxes.

Staff believes transparency will be best served by posting links to the above fees, assessments, and taxes on the City's website where the Master Fee Schedule will be posted, once it has been updated.

Cost Recovery

The Master Fee Schedule also includes current cost recovery targets outlined in the Municipal Code. Staff is proposing to incorporate the cost recovery targets into the Master Fee Schedule and delete them from the Municipal Code to avoid redundancy. This will also enable the Council to more effectively review and adjust cost recovery targets as part of the budget process. An update to the Municipal Code to reflect this change, as well as some other minor clean-up language, will be brought forward for Council consideration in May/June. Although the current cost recovery targets have been included in the Master Fee Schedule, staff has not yet engaged Council on validating these targets for all fees. This topic was included in the January 29 Council Budget Study Session but given the robust discussion on many other aspects of the budget, cost recovery targets for fees were not discussed. An evaluation of the actual cost recovery on all the fees is being done in a phased manner.

In November 2018 staff brought forward an evaluation and recommendation for fees that would ensure 100% cost recovery for water and sewer fees.

On April 16, 2019, a similar evaluation on all fees related to development services was presented to Council. These include fees charged by Building, Planning, Engineering, and Fire for planning, building, off-site improvements, and fire prevention services related to private construction and renovation. Based on the consultant report, and in accordance with the Municipal Code, staff is recommending changes to the fees that will ensure 100% cost recovery.

Key Recommendations on Development Services related fees

Building: Building proposes replacing a cumbersome and complicated fee structure with a simplified and streamlined and consistent methodology to calculate fees. The modifications include elimination of redundant categories, consolidation of permit categories, and expansion of categories to account for all building occupancy types. For flat and stand-alone fees, the Building Department is recovering approximately 61% of its costs and moving to full cost recovery would result in an average increase of about 147%. There are approximately 7 fees that are decreasing, with the remainder of the 174 fees increasing.

For new commercial and multi-family construction, staff is proposing the elimination of numerous fixture calculations of fees for mechanical, electrical, and plumbing, and instead proposing a simplified structure with one plan check fee and one inspection / permit fee.

Overall, smaller commercial projects may see an increase in fees, and larger commercial projects will likely see a decline in fees.

Engineering: Engineering fees are proposed to remain primarily on deposit-based Private Job (PJ) accounts with a slight modification to allow for creation of PJ's during the plan check phase as well as the inspection phase. There are three existing flat fees to remain in the fee schedule. Other than minor encroachment permit, the other two flat fees are currently charged and will most likely continue to be charged as part of a PJ account, as they are typically not done stand-alone. The Minor Encroachment permit is proposed to increase 116% to the base fee amount so as to recover 100% of costs.

Fire Prevention: There are minimal modifications being made to the Fire Prevention fee schedule. The changes being proposed are in relation to a methodology that is based on flat fees rather than hourly basis multiplied by hourly rate. Fire Prevention Fees are recovering approximately 84% of their costs. So as to fully recover costs, the proposed increases to the Fire Prevention fees average 30%. There are approximately 9 fees that are proposed to be reduced through the implementation of the proposed fee structure.

Planning: The department is proposing modifications related to converting the deposit-based Private Job (PJ) account fees to flat fees for increased transparency and reduced administrative costs. There are still certain fees that are being recommended to remain as deposit-based fees due to their complexity. There are several new fee categories being proposed: conceptual plan review, pre-application single family, temporary signs, home occupation permit, tree removal, and special use permit. The support provided to the Building department is also being accounted for as part of Planning's fee schedules. The majority of Planning's current fees are under-recovering and the department as a whole is only recovering approximately 52% of its costs. The proposed increases to Planning fees vary from a low of \$166 increase for Permanent Signs to a high of \$1,758 for Appeals.

Community outreach on all development services fees included two community budget meetings in April and through a community development focused stakeholder interviews, and several Community Development Roundtable meetings.

Moving to 100% cost recovery results in significant increases for fees that are currently being heavily subsidized by the General Fund. As outlined in the consultant study, since the majority of fees are currently below cost recovery, approximately \$2 million is being paid from the General Fund on an annual basis to subsidize private development fees.

Although the increase in fees for certain types of projects, such as large developments, may be reasonable, Council may wish to consider a limited subsidy to incentivize specific policies and priorities, such as the building of accessory dwelling units (ADUs), or the mitigation of the impact of a high fee on homeowners for things such as replacing a water heater or minor remodel. On April 16, 2019, City Council provided specific comments regarding providing incentives and relief/subsidy to the fee schedule in the following areas:

- Senior citizen residents, low income residents, mobile home park residents;
- Common homeowner routine repair and renovation of housing stock; and
- Accessory Dwelling Unit (ADU) production.

Staff can bring back a policy for Council consideration, to provide an annual subsidy for specific fees, if so directed. The fiscal impact of any such subsidies will also be brought forward along with any policy discussion. A cost recovery evaluation for all other fees (except for utility and development services), will be done in Fiscal Year 2019-20, with the analysis presented to Council in advance of the budget deliberations for FY 2020-21.

A cost recovery evaluation for all other fees (except for utility and development services), will be done in Fiscal Year 2019-20, with the analysis presented to Council in advance of the budget deliberations for FY 2020-21.

Highlights of Recommended Fee Changes for Non-Development Services Related Fees:

Police: The Police Department has not increased fees for producing records, issuing parking citations, and fingerprinting services in several years. The proposed are designed to more fully recover costs of providing such services.

In addition, the Police Department is proposing a new fee for an officer signing off on a citation for correctable violations for non-Milpitas residents. This fee would help recover the service costs and perhaps reduce the frequency of non-Milpitas residents using this service, allowing for a more effective use of police personnel. Finally, the Department is proposing a new fee to recover the cost of requests for United States Investigative Law Enforcement data.

Recreation: Sports Center Membership fees are increasing overall, as they have not been adjusted in over 8 years. New fees were added to allow Tournaments to be held on/in City-run fields, courts, and large gyms.

Building (not development services related): the City of Milpitas maintains a contractual agreement with the City of San Jose Animal Care & Services Division to provide animal control services and animal licensing for Milpitas residents. The City of Milpitas' animal licensing fees have not increased since 2012, while the charges to the City for licenses under the contract with San Jose have increased. The number of animal licenses has also increased over the years. The proposed animal license fee increase will help the Department recover more costs and bring Milpitas' fees more in alignment with the fees charged by other jurisdictions that also have animal control services provided by the City of San Jose.

Policy Alternatives:

Alternative 1: Do not approve the proposed Master Fee Schedule

Pros: Residents and businesses will not incur additional costs for services

Cons: The City will not recover the full costs of providing services

Reason not recommended: Services provided to private entities will continue to be subsidized by the General Fund, resulting in \$2.5 million less for other essential services and infrastructure

Alternative 2: Provide a subsidy to development services fees that result in an increase of 50% or more

Pros: The increase in costs for development related services will not be significant

Cons: The City will not recover the full costs of providing services

Reason not recommended: Services provided to private entities will continue to be subsidized by the General Fund, resulting in \$2.0 million less for other essential services and infrastructure

Fiscal Impact:

In the Adopted Budget for Fiscal Year 2018-19, the estimated revenue from user fees, permits and fines was \$68.7 million across all funds. If Council approves the proposed Master Fee Schedule, additional revenue of \$2.2 million will be realized by the General Fund in Fiscal Year 2019-20. Of this amount, \$2.0 comes from development service type fee recommendations and \$.2 million associated with all other General Fund fees. Revenue associated with approved fee changes will be included in the proposed 2019-20 budget.

Recommendation:

Open the public hearing, take public comment, review and discuss Master Fee Schedule, and continue the public hearing to May 15, 2019.

Attachments:

Master Fee Schedule

Milpitas Final Organizational Report

Milpitas Fee Study Report

Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	Amount of Change	FY 19-20 Estimated Revenue Increase/Change (new or changed fees only)	Municipal Code Cost Recovery Goals
Building and Housing	Fines	Animal Regulation	Animal Bites Penalty	\$ 200	\$ 200			
Building and Housing	Fines	Animal Regulation	Animal Impoundment Hearing	\$ 50	\$ 50			
Building and Housing	Fines	Animal Regulation	Animal Nuisance (e.g. barking)	\$ 100	\$ 100			
Building and Housing	Fines	Animal Regulation	Animals in Excess of Maximum Allowed Penalty	\$ 50	\$ 50			
Building and Housing	Fines	Animal Regulation	Failure to Apply for Annual Animal Facility Permit	\$ 20	\$ 20			
Building and Housing	Fines	Animal Regulation	Inadequate Control or Confinement of Potentially Dangerous Animal Penalty	\$ 100	\$ 100			
Building and Housing	Fines	Animal Regulation	Late Payments for Animal Fees	10% /7 days	10% /7 days			
Building and Housing	Fines	Animal Regulation	Unlicensed dog or cat penalty	\$ 50	\$ 50			
Building and Housing	Fines	Animal Regulation	Violation of Leash Law	\$ 25	\$ 25			
Building and Housing	Fines	Neighborhood Beautification	1st Violation to Neighborhood Beautification Ordinance	\$ 100	\$ 100			
Building and Housing	Fines	Neighborhood Beautification	2nd Violation to Neighborhood Beautification Ordinance	\$ 200	\$ 200			
Building and Housing	Fines	Neighborhood Beautification	3rd or More Violations to Neighborhood Beautification Ordinance	\$ 500	\$ 500			
Building and Housing	Fines	Neighborhood Beautification	Delinquency Penalty on Neighborhood Beautification Ordinance	\$ 25	\$ 25			
Building and Housing	Fines	Neighborhood Beautification	Graffiti Abatement	Actual Cost	Actual Cost			
Building and Housing	Fines	Neighborhood Beautification	Public Nuisance Abatement	As defined in Municipal Code Sections	As defined in Municipal Code Sections			
Building and Housing	Licenses	Animal Regulation	Cat License Fee: Altered	\$ 10	\$ 15	\$ 5	\$1,050	100%
Building and Housing	Licenses	Animal Regulation	Cat License Fee: Late Fee	\$ 15	\$ 20	\$ 5	\$25	100%
Building and Housing	Licenses	Animal Regulation	Cat License Fee: Unaltered	\$ 30	\$ 35	\$ 5	\$225	100%
Building and Housing	Licenses	Animal Regulation	Cat Seller Fee, 1st Permit within Calendar Year	\$ 50	\$ 50			
Building and Housing	Licenses	Animal Regulation	Cat Seller Fee, 2nd Permit within Calendar Year	\$ 100	\$ 100			
Building and Housing	Licenses	Animal Regulation	Dog License Fee: Altered	\$ 20	\$ 25	\$ 5	\$5,025	25%
Building and Housing	Licenses	Animal Regulation	Dog License Fee: Late Fee	\$ 15	\$ 20	\$ 5	\$125	100%
Building and Housing	Licenses	Animal Regulation	Dog License Fee: Unaltered	\$ 60	\$ 65	\$ 5	\$1,050	100%
Building and Housing	Licenses	Animal Regulation	Dog Seller Fee, 1st Permit within Calendar Year	\$ 75	\$ 75			
Building and Housing	Licenses	Animal Regulation	Dog Seller Fee, 2nd Permit within Calendar Year	\$ 150	\$ 150			
Building and Housing	Misc.	Animal Regulation	Animal Disposal Fee	Actual Cost	Actual Cost			
Building and Housing	Misc.	Animal Regulation	Quarantining Animal Fee	Actual Cost	Actual Cost			
Building and Housing	Misc.	Animal Regulation	Redemption of Impounded Animal Fee	Actual Cost	Actual Cost			
Building and Housing	Permits	Animal Regulation	Annual Animal Adoption Permit Fee	\$ 50	\$ 50			
Building and Housing	Permits	Animal Regulation	Annual Animal Facility Permit Application Fee	\$ 50	\$ 50			
Building and Housing	Permits	Animal Regulation	Dangerous Animal Annual Permit Fee	\$ 150	\$ 150			
Building and Housing	Permits	Animal Regulation	Permit for Exception to Number or Type of Animals Allowed, Application Fee	\$ 20	\$ 20			
City Clerk	Fines	Misc.	Campaign Late Filing Fees (per day. Set by State of California)	\$ 10	\$ 10			NA
City Clerk	Licenses	Misc.	Bingo License Renewals	\$ 50	\$ 50			100%
City Clerk	Misc.	Misc.	Passport Application/Execution Fee (set by U.S. Government)	\$ 35	\$ 35			NA
Finance	Misc.	After Hours Turn-on	After Hours Turn-on	\$ 75	\$ 75			100%
Finance	Misc.	Bond Payoff Calculation	Bond Payoff Calculation	\$ 165	\$ 165			100%
Finance	Misc.	Business License	New Application Processing Fee	\$50/yr	\$50/yr			100%
Finance	Misc.	Business License	Processing Fee (renewal)	\$25/yr	\$25/yr			100%
Finance	Misc.	Finance	Phone Check Fee (User Fee)	\$ 4	\$ 15	\$11		100%
Finance	Misc.	Property Damage Inv Processing	Property Damage	\$30 + replacement cost	\$30 + replacement cost			100%
Fire	Emergency Response	Fire Miscellaneous	Emergency Response – Haz Mat Calls, Minimum 1-hr	HR(s) * hourly rate	HR(s) * hourly rate			

* No fee for Milpitas residents.

**Plus DOJ and FBI fees. Currently charging for DOJ fees in Live Scan only.

¹No fee for Priority II²No fee for Priority III

Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	Amount of Change	FY 19-20 Estimated Revenue Increase/Change (new or changed fees only)	Municipal Code Cost Recovery Goals
Fire	Misc.	Fire Miscellaneous	Data input (HMBP/HMIS), Minimum of 2 hours	HR(s) * hourly rate	HR(s) * hourly rate			
Fire	Fines	Fire Miscellaneous	Late fee – over 60 days	Collection Cost	Collection Cost			
Fire	Fines	Fire Miscellaneous	Failure to obtain a permit	Double permit fee	Double permit fee			
Fire	Fines	Fire Miscellaneous	Weed Abatement. Fee = (hrs * \$/HR), minimum 1-hr False Alarm	HR(s) * hourly rate	HR(s) * hourly rate			
Fire	Fines	Fire Miscellaneous		First two in 12 month time-frame, no charge	First two in 12 month time-frame, no charge			
Fire	Fines	Fire Miscellaneous	False Alarm	3rd - \$300	3rd - \$300			
Fire	Fines	Fire Miscellaneous	False Alarm	4th - \$600	4th - \$600			
Fire	Fines	Fire Miscellaneous	False Alarm	5th or more - \$900	5th or more - \$900			
Fire	Inspection	Fire Miscellaneous	Fire Watch, Fee = (hrs * hourly rate). Std. or OT rate	HR(s) * hourly rate, 3 hrs minimum	HR(s) * hourly rate, 3 hrs minimum			
Fire	Inspection	Fire Miscellaneous	Pre-inspection (residential care facilities)	Health & Safety Code	Health & Safety Code			
Fire	Permits	Fire Investigation/Enforcement	Response/Investigation Fee	HR(s) * hourly rate	HR(s) * hourly rate			100%
Fire	Permits	Fire Miscellaneous	Confined Space permits	HR(s) * hourly rate	HR(s) * hourly rate			100%
Fire	Misc.	Fire Investigation/Enforcement	Enforcement Cost Recovery	HR(s) * hourly rate	HR(s) * hourly rate			
Fire	Misc.	Fire Miscellaneous	Response to DUI	HR(s) * hourly rate	HR(s) * hourly rate			
Fire	Misc.	Fire Miscellaneous	Non-Milpitas Response	HR(s) * hourly rate	HR(s) * hourly rate			
Fire	Misc.	Fire Miscellaneous	Electronic Archive, per permit	\$25	\$25			
Fire	Misc.	Fire Investigation/Enforcement	Response/Investigation Fee	HR(s) * hourly rate	HR(s) * hourly rate			
Fire	Misc.	Fire Investigation/Enforcement	Fire Code Chapter 50 - Release Cleanup 2hrs minimum charge	HR(s) * hourly rate	HR(s) * hourly rate			
Fire	Misc.	Fire Investigation/Enforcement	Referral Inspection (Life/Safety) 2 hrs minimum charge	HR(s) * hourly rate	HR(s) * hourly rate			
Fire	Misc.	Fire Investigation/Enforcement	Referral Inspection (Haz Mat) 2 hrs minimum charge	HR(s) * hourly rate	HR(s) * hourly rate			
Fire	Training	Misc.	Use of Trailer	Trailer \$ 60/HR	Trailer \$ 60/HR			
Fire	Training	Misc.	Administrative Fee	Admin. \$ 70/HR	Admin. \$ 70/HR			
Fire	Training	Misc.	Instructor	Actual Cost	Actual Cost			
Information Services	Misc.	Information Services	Video Tapes and DVDs	\$20 per tape or DVD	\$20 per tape or DVD			100%
Police	Misc.	Citations	Citation Sign off*	New \$	20	\$20	\$7,140	
Police	Fines	Citations	Parking Citations	\$	50	\$	\$15,770	100%
Police	Fines	Citations	Traffic & Parking citations	\$	1	\$	\$4	100%
Police	Fines	False Alarm Fines	False Alarm: Fifth Offense or More	\$	100	\$		100%
Police	Fines	False Alarm Fines	False Alarm: Fourth Offense	\$	50	\$		100%
Police	Misc.	Police Misc.	Fingerprints - Ink Card	\$	10	\$	\$15	100%
Police	Misc.	Police Misc.	Fingerprints - Live Scan**	\$	10	\$	\$15	100%
Police	Misc.	Police Misc.	Incident (Log Event) Reports	\$	1	\$	\$4	100%
Police	Misc.	Police Misc.	Photos on CD	\$	6	\$	\$9	100%
Police	Misc.	Police Misc.	Police Reports Over (10) Pages	\$1 per page	\$1 per page			100%
Police	Misc.	Police Misc.	Police Reports Up to (10) Pages	\$	6	\$	\$7	100%
Police	Misc.	Police Misc.	US Investigative Request for Law Enforcement Data	New	15	\$15		100%
Police	Misc.	Police Misc.	Videos	\$	30	\$	\$20	100%
Police	Permits	Police Misc.	Massage Permits	\$	200	\$		100%
				\$500 per team + \$10 per non-resident player per season	\$500 per team + \$10 per non-resident player per season			
Recreation	Adult Recreation	Adult Enrichment Fees	Sports League (full season)					75%

* No fee for Milpitas residents.

**Plus DOJ and FBI fees. Currently charging for DOJ fees in Live Scan only.

¹No fee for Priority II²No fee for Priority III

Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	Amount of Change	FY 19-20 Estimated Revenue Increase/Change (new or changed fees only)	Municipal Code Cost Recovery Goals
				\$20/person/class/ month program or trip.	\$20/person/class/ month program or trip.			75%
Recreation	Adult Recreation	Adult Enrichment Fees	General Non-resident Fees					
Recreation	Adult Recreation	Adult Enrichment Fees	Garden Plots (Residents Only)	\$60/per year	\$60/per year			75%
Recreation	Aquatics	Miscellaneous	Recreational Swim	\$2	\$2 - \$5 per person	\$1.00	\$4,300	50%
Recreation	Aquatics	Swimming	Swimming Lessons Group	\$75 - \$85 residents	\$75 - \$85 residents			50%
				\$950 - \$105 non-residents	\$950 - \$105 non-residents			50%
Recreation	Aquatics	Swimming	Swimming Lessons Group					
Recreation	Aquatics	Swimming	Semi-Private/Private Swimming Lessons	\$38 residents – per half hour lesson	\$38 residents – per half hour lesson			50%
				\$58 non-resident - per half hour lesson	\$58 non-resident - per half hour lesson			50%
Recreation	Aquatics	Swimming	Semi-Private/Private Swimming Lessons					
				\$15 plus \$20 non-resident fee if applicable	\$15 plus \$20 non-resident fee if applicable			50%
Recreation	Aquatics	Swimming	Parent-Tot Drop-in swim pass – 5 visits					
				Resident- \$68-\$88/month	Resident- \$68-\$88/month			50%
Recreation	Aquatics	Swimming	Monthly Swim Club Fee Development Group					
				Non-resident- \$108-\$128/month	Non-resident- \$108-\$128/month			50%
Recreation	Aquatics	Swimming	Monthly Swim Club Fee Development Group					
				Resident- \$78-\$98/month	Resident- \$78-\$98/month			50%
Recreation	Aquatics	Swimming	Monthly Swim Club Juniors/Intermediate					
				Non-resident- \$118-\$138/month	Non-resident- \$118-\$138/month			50%
Recreation	Aquatics	Swimming	Monthly Swim Club Juniors/Intermediate					
				Resident- \$88-\$108/month	Resident- \$88-\$108/month			50%
Recreation	Aquatics	Swimming	Monthly Swim Club-Senior					
				Non-resident- \$128-\$148/month	Non-resident- \$128-\$148/month			50%
Recreation	Classes			Instructor: hrs. * hourly rate	Instructor: hrs. * hourly rate			varies
Recreation	Membership	Senior Enrichment Fees(50+ years of age)	Senior Center Membership	\$12/year resident	\$12/year resident			25%
		Senior Enrichment Fees(50+ years of age)		\$30/year non-resident	\$30/year non-resident			25%
Recreation	Membership	Sports Center Membership	Fitness Passes- Per Visit Packages	5 visits: \$20	5 visits: \$25	\$5		100%
Recreation	Membership	Sports Center Membership	Fitness Passes- Per Visit Packages	10 visits: \$40	10 visits: \$50	\$10		75%
Recreation	Membership	Sports Center Membership	Fitness Passes- Per Visit Packages	15 visits: \$60	15 visits: \$75	\$15		75%
Recreation	Membership	Sports Center Membership	Fitness Passes- Per Visit Packages	20 visits: \$80	20 visits: \$100	\$20		75%
Recreation	Membership	Sports Center Membership	Fitness Passes Senior (50+)- Per Visit Packages	5 visits: \$10	5 visits: \$15	\$5		75%
Recreation	Membership	Sports Center Membership	Fitness Passes Senior (50+)- Per Visit Packages	10 visits: \$20	10 visits: \$30	\$10		75%
Recreation	Membership	Sports Center Membership	Fitness Passes Senior (50+)- Per Visit Packages	15 visits: \$30	15 visits: \$45	\$15		25%
Recreation	Membership	Sports Center Membership	Fitness Passes Senior (50+)- Per Visit Packages	20 visits: \$40	20 visits: \$60	\$20		25%
Recreation	Membership	Sports Center Membership	Drop-In Fee	\$7/visit	\$7-\$12 per visit	\$1	\$4,917	25%
Recreation	Membership	Sports Center Membership	Sports Center Unlimited Packages	Monthly: \$50	Monthly: \$60	\$10		25%
Recreation	Membership	Sports Center Membership	Sports Center Unlimited Packages	3 Months: \$150	3 Months: \$180	\$30		75%
Recreation	Membership	Sports Center Membership	Sports Center Unlimited Packages	6 Months: \$250	6 Months: \$280	\$30		75%
Recreation	Membership	Sports Center Membership	Sports Center Unlimited Packages	12 Months: \$450	12 Months: \$480	\$30		75%
Recreation	Membership	Sports Center Membership	Sports Center Unlimited Packages - Senior (50+)	Monthly: \$25	Monthly: \$35	\$10		75%
Recreation	Membership	Sports Center Membership	Sports Center Unlimited Packages - Senior (50+)	3 Months: \$75	3 Months: \$85	\$10		25%
Recreation	Membership	Sports Center Membership	Sports Center Unlimited Packages - Senior (50+)	6 Months: \$125	6 Months: \$135	\$10		25%
Recreation	Membership	Sports Center Membership	Sports Center Unlimited Packages - Senior (50+)	12 Months: \$225	12 Months: \$235	\$10		25%
Recreation	Membership	Sports Center Membership	Annual Non-Resident Fee	\$50/year	\$50-\$100 per year	\$25	\$3,975	25%
Recreation	Misc.	Department General Fees	General Class Program Fees	new	Staff time + Materials			100%

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**Plus DOJ and FBI fees. Currently charging for DOJ fees in Live Scan only.

¹No fee for Priority II²No fee for Priority III

Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	Amount of Change	FY 19-20 Estimated Revenue Increase/Change (new or changed fees only)	Municipal Code Cost Recovery Goals
Recreation	Misc.	Department General Fees	Membership Card replacement fee	\$5	\$5			100%
Recreation	Misc.	Department General Fees	Transaction Fee	\$1 - \$3 per receipt	\$1 - \$3 per receipt	\$2-\$7	\$5,300	100%
Recreation	Misc.	Department General Fees	Trips	Actual cost to City + Trip Admission Fee	Actual cost to City + Trip Admission Fee			75%
Recreation	Misc.	Department General Fees	General Non-Resident Fees	\$20/person/class/ month program or trip.	\$20/person/class/ month program or trip.			50%
Recreation	Rentals	Artificial Turf Field	Deposit (Football/Soccer)	Priority II & III- N/A	Priority II & III- N/A			50%
Recreation	Rentals	Artificial Turf Field	Deposit (Football/Soccer)	Priority IV & V- \$1,000	Priority IV & V- \$1,000			50%
Recreation	Rentals	Artificial Turf Field	Deposit (Soccer/Volleyball)	Priority II & III- N/A	Priority II & III- N/A			50%
Recreation	Rentals	Artificial Turf Field	Deposit (Soccer/Volleyball)	Priority IV & V- \$750	Priority IV & V- \$750			50%
Recreation	Rentals	Artificial Turf Field	Artificial Turf Football/Soccer w/o lights	Priority II & III- N/A	Priority II & III- N/A			50%
Recreation	Rentals	Artificial Turf Field	Artificial Turf Football/Soccer w/o lights	Priority IV- \$150/hr	Priority IV- \$150/hr			50%
Recreation	Rentals	Artificial Turf Field	Artificial Turf Football/Soccer w/o lights	Priority V- \$300/hr	Priority V- \$300/hr			50%
Recreation	Rentals	Artificial Turf Field	Artificial Turf Football/Soccer w/ lights	Priority II & III- N/A	Priority II & III- N/A			50%
Recreation	Rentals	Artificial Turf Field	Artificial Turf Football/Soccer w/ lights	Priority IV- \$160/hr	Priority IV- \$160/hr			50%
Recreation	Rentals	Artificial Turf Field	Artificial Turf Football/Soccer w/ lights	Priority V- \$320/hr	Priority V- \$320/hr			50%
Recreation	Rentals	Artificial Turf Field	Artificial Turf Volleyball/Soccer w/o lights	Priority II & III- N/A	Priority II & III- N/A			50%
Recreation	Rentals	Artificial Turf Field	Artificial Turf Volleyball/Soccer w/o lights	Priority IV- \$100/hr	Priority IV- \$100/hr			50%
Recreation	Rentals	Artificial Turf Field	Artificial Turf Volleyball/Soccer w/o lights	Priority V- \$200/hr	Priority V- \$200/hr			50%
Recreation	Rentals	Artificial Turf Field	Artificial Turf Volleyball/Soccer w/ lights	Priority II & III- N/A	Priority II & III- N/A			50%
Recreation	Rentals	Artificial Turf Field	Artificial Turf Volleyball/Soccer w/ lights	Priority IV- \$110/hr	Priority IV- \$110.00/hr			50%
Recreation	Rentals	Artificial Turf Field	Artificial Turf Volleyball/Soccer w/ lights	Priority V- \$220/hr	Priority V- \$220/hr			50%
Recreation	Rentals	Artificial Turf Field	Tournament: Field w/o lights (Football)	new	Priority II & III- N/A			50%
Recreation	Rentals	Artificial Turf Field	Tournament: Field w/o lights (Football)	new	Priority IV- \$210/hr	\$210/hr		50%
Recreation	Rentals	Artificial Turf Field	Tournament: Field w/o lights (Football)	new	Priority V- \$420/hr	\$420/hr		50%
Recreation	Rentals	Artificial Turf Field	Tournament: Field w/ lights (Football)	new	Priority II & III- N/A			50%
Recreation	Rentals	Artificial Turf Field	Tournament: Field w/ lights (Football)	new	Priority IV- \$160/hr	\$160/hr		50%
Recreation	Rentals	Artificial Turf Field	Tournament: Field w/ lights (Football)	new	Priority V- \$320/hr	\$320/hr		50%
Recreation	Rentals	Artificial Turf Field	Tournament: Field w/o lights (Small)	new	Priority II & III- N/A			50%
Recreation	Rentals	Artificial Turf Field	Tournament: Field w/o lights (Small)	new	Priority IV- \$160/hr	\$160/hr		50%
Recreation	Rentals	Artificial Turf Field	Tournament: Field w/o lights (Small)	new	Priority V- \$320/hr	\$320/hr		50%
Recreation	Rentals	Artificial Turf Field	Tournament: Field w/ lights (Small)	new	Priority II & III- N/A			50%
Recreation	Rentals	Artificial Turf Field	Tournament: Field w/ lights (Small)	new	Priority IV- \$170/hr	\$170/hr		50%
Recreation	Rentals	Artificial Turf Field	Tournament: Field w/ lights (Small)	new	Priority V- \$340/hr	\$340/hr		50%
Recreation	Rentals	Community Center Rentals	Application Fee (non-refundable)	\$20	\$20 - \$30	\$10		100%
Recreation	Rentals	Community Center Rentals	Rental Deposits: Auditorium	\$750	\$750			100%
Recreation	Rentals	Community Center Rentals	Auditorium (3 hr. minimum)	Priority II- No Fee	Priority II- No Fee			100%
Recreation	Rentals	Community Center Rentals	Auditorium (3 hr. minimum)	Priority III- \$100/hr	Priority III- \$100/hr			100%
Recreation	Rentals	Community Center Rentals	Auditorium (3 hr. minimum)	Priority IV- \$200/hr	Priority IV- \$200/hr			100%
Recreation	Rentals	Community Center Rentals	Auditorium (3 hr. minimum)	Priority V- \$260/hr	Priority V- \$260/hr			100%
Recreation	Rentals	Community Center Rentals	Conference Room (2 hr. minimum)	Priority II- No Fee	Priority II- No Fee			100%
Recreation	Rentals	Community Center Rentals	Conference Room (2 hr. minimum)	Priority III- \$35/hr	Priority III- \$35/hr			100%
Recreation	Rentals	Community Center Rentals	Conference Room (2 hr. minimum)	Priority IV- \$70/hr	Priority IV- \$70/hr			100%
Recreation	Rentals	Community Center Rentals	Conference Room (2 hr. minimum)	Priority V- \$130/hr	Priority V- \$130/hr			100%
Recreation	Rentals	Community Center Rentals	Dance Studio. Craft Classroom (2 hr. minimum)	Priority II- No Fee	Priority II- No Fee			100%
Recreation	Rentals	Community Center Rentals	Dance Studio. Craft Classroom (2 hr. minimum)	Priority III- \$20/hr	Priority III- \$20/hr			100%
Recreation	Rentals	Community Center Rentals	Dance Studio. Craft Classroom (2 hr. minimum)	Priority IV- \$40/hr	Priority IV- \$40/hr			100%
Recreation	Rentals	Community Center Rentals	Dance Studio. Craft Classroom (2 hr. minimum)	Priority V- \$100/hr	Priority V- \$100/hr			100%
Recreation	Rentals	Community Center Rentals	Facility Attendant Fees	Priority II,III, IV- \$30/hr	Priority II,III, IV- \$30/hr			100%

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**Plus DOJ and FBI fees. Currently charging for DOJ fees in Live Scan only.

¹No fee for Priority II²No fee for Priority III

Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	Amount of Change	FY 19-20 Estimated Revenue Increase/Change (new or changed fees only)	Municipal Code Cost Recovery Goals
Recreation	Rentals	Community Center Rentals	Facility Attendant Fees	Priority V- \$60/hr	Priority V- \$60/hr			100%
Recreation	Rentals	Community Center Rentals	Piano	Priority III, IV- \$20/day	Priority III, IV- \$20/day			100%
Recreation	Rentals	Community Center Rentals	Piano	Priority V- \$80/day	Priority V- \$80/day			100%
Recreation	Rentals	Community Center Rentals	Auditorium Screen Deposit	\$250	\$250			100%
Recreation	Rentals	Community Center Rentals	Auditorium Sound System (includes staff time)	\$50/hr.	\$50/hr.			50%
Recreation	Rentals	Field Rentals	Application Fee (non-refundable) ²	\$20	\$20 - \$30	\$10		50%
Recreation	Rentals	Field Rentals	Cricket Pitch	new	Priority II & III- N/A			50%
Recreation	Rentals	Field Rentals	Cricket Pitch	new	Priority IV- \$30/hr	\$30-\$30/hr		50%
Recreation	Rentals	Field Rentals	Cricket Pitch	new	Priority V- \$60/hr	\$60-\$60/hr		100%
Recreation	Rentals	Field Rentals	Rental Deposits	Priority II & III- N/A	Priority II & III- N/A			50%
Recreation	Rentals	Field Rentals	Rental Deposits	Priority IV & V- \$750	Priority IV & V- \$750			50%
Recreation	Rentals	Field Rentals	Soccer Field w/o lights (2hr. Minimum) (grass)	Priority II & III- N/A	Priority II & III- N/A			50%
Recreation	Rentals	Field Rentals	Soccer Field w/o lights (2hr. Minimum) (grass)	Priority IV- \$30/hr	Priority IV- \$30/hr			50%
Recreation	Rentals	Field Rentals	Soccer Field w/o lights (2hr. Minimum) (grass)	Priority V- \$60/hr	Priority V- \$60/hr			50%
Recreation	Rentals	Field Rentals	Soccer Field w/ lights (2hr. Minimum) (grass)	Priority II & III- N/A	Priority II & III- N/A			50%
Recreation	Rentals	Field Rentals	Soccer Field w/ lights (2hr. Minimum) (grass)	Priority II & IV- \$40/hr	Priority II & IV- \$40/hr			50%
Recreation	Rentals	Field Rentals	Soccer Field w/ lights (2hr. Minimum) (grass)	Priority V- \$80/hr	Priority V- \$80/hr			50%
Recreation	Rentals	Field Rentals	Softball/ Baseball Field w/o lights (2hr minimum)	Priority II & III- N/A	Priority II & III- N/A			50%
Recreation	Rentals	Field Rentals	Softball/ Baseball Field w/o lights (2hr minimum)	Priority IV- \$20/hr	Priority IV- \$20/hr			50%
Recreation	Rentals	Field Rentals	Softball/ Baseball Field w/o lights (2hr minimum)	Priority V- \$40/hr	Priority V- \$40/hr			50%
Recreation	Rentals	Field Rentals	Softball/ Baseball Field w/ lights (2hr minimum)	Priority II & III- N/A	Priority II & III- N/A			50%
Recreation	Rentals	Field Rentals	Softball/ Baseball Field w/ lights (2hr minimum)	Priority IV- \$30/hr	Priority IV- \$30/hr			50%
Recreation	Rentals	Field Rentals	Softball/ Baseball Field w/ lights (2hr minimum)	Priority V- \$60/hr	Priority V- \$60/hr			50%
Recreation	Rentals	Field Rentals	Tournaments: Field w/o lights	new	Priority II & III- N/A			50%
Recreation	Rentals	Field Rentals	Tournaments: Field w/o lights	new	Priority IV- \$60/hr	\$60/hr		50%
Recreation	Rentals	Field Rentals	Tournaments: Field w/o lights	new	Priority V- \$120/hr	\$120/hr		50%
Recreation	Rentals	Field Rentals	Tournaments: Field w/ lights	new	Priority II & III- N/A			50%
Recreation	Rentals	Field Rentals	Tournaments: Field w/ lights	new	Priority II & IV- \$80/hr	\$80/hr		50%
Recreation	Rentals	Field Rentals	Tournaments: Field w/ lights	new	Priority V- \$160/hr	\$160		100%
Recreation	Rentals	Gym, Fields, Courts & Pool	Application Fee (non-refundable)	\$20	\$20 - \$30	\$10		100%
Recreation	Rentals	Rentals	Rental Deposit	Priority II & III- N/A	Priority II & III- N/A			100%
Recreation	Rentals	Gym, Fields, Courts & Pool	Rental Deposit	Priority IV & V- \$750	Priority IV & V- \$750			100%
Recreation	Rentals	Gym, Fields, Courts & Pool	Large Gymnasium (3 hr. minimum)	Priority II & III- N/A	Priority II & III- N/A			100%
Recreation	Rentals	Gym, Fields, Courts & Pool	Large Gymnasium (3 hr. minimum)	Priority IV - \$80	Priority IV - \$80			100%
Recreation	Rentals	Gym, Fields, Courts & Pool	Large Gymnasium (3 hr. minimum)	Priority V- \$160	Priority V- \$160			100%
Recreation	Rentals	Gym, Fields, Courts & Pool	Tournaments: Large Gymnasium (3 hr. Minimum)	new	Priority II & III- N/A			100%
Recreation	Rentals	Gym, Fields, Courts & Pool	Tournaments: Large Gymnasium (3 hr. Minimum)	new	Priority IV- \$140	\$140/hr		100%
Recreation	Rentals	Gym, Fields, Courts & Pool	Tournaments: Large Gymnasium (3 hr. Minimum)	new	Priority V- \$220	\$220/hr		100%
Recreation	Rentals	Gym, Fields, Courts & Pool	Training Pool (2hr. minimum)	Priority II & III- N/A	Priority II & III- N/A			100%

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Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	Amount of Change	FY 19-20 Estimated Revenue Increase/Change (new or changed fees only)	Municipal Code Cost Recovery Goals
Recreation	Rentals	Gym, Fields, Courts & Pool Rentals	Training Pool (2hr. minimum)	Priority IV- \$50/hr + 2 guards	Priority IV- \$50/hr + 2 guards			100%
Recreation	Rentals	Gym, Fields, Courts & Pool Rentals	Training Pool (2hr. minimum)	Priority V- \$100/hr + 2 guards	Priority V- \$100/hr + 2 guards			100%
Recreation	Rentals	Gym, Fields, Courts & Pool Rentals	Yard Pool (2 hr. minimum)	Priority II & III- N/A	Priority II & III- N/A			100%
Recreation	Rentals	Gym, Fields, Courts & Pool Rentals	Yard Pool (2 hr. minimum)	Priority IV- \$60/hr + 2 guards	Priority IV- \$60/hr + 2 guards			100%
Recreation	Rentals	Gym, Fields, Courts & Pool Rentals	Yard Pool (2 hr. minimum)	Priority V- \$120/hr + 2 guards	Priority V- \$120/hr + 2 guards			100%
Recreation	Rentals	Gym, Fields, Courts & Pool Rentals	Meter Pool (2 hr. minimum)	Priority II & III- N/A	Priority II & III- N/A			100%
Recreation	Rentals	Gym, Fields, Courts & Pool Rentals	Meter Pool (2 hr. minimum)	Priority IV- \$70/hr + 2 guards	Priority IV- \$70/hr + 2 guards			100%
Recreation	Rentals	Gym, Fields, Courts & Pool Rentals	Meter Pool (2 hr. minimum)	Priority V- \$140/hr + 2 guards	Priority V- \$140/hr + 2 guards			100%
Recreation	Rentals	Gym, Fields, Courts & Pool Rentals	Facility Attendant/Scorekeeper (per attendant) ²	Priority II & IV- \$30/hr	Priority II & IV- \$30/hr			100%
Recreation	Rentals	Gym, Fields, Courts & Pool Rentals	Facility Attendant/Scorekeeper (per attendant) ²	Priority V- \$60/hr	Priority V- \$60/hr			100%
Recreation	Rentals	Gym, Fields, Courts & Pool Rentals	Lifeguard Fees (per Lifeguard) ²	Priority II & IV- \$15/hr	Priority II & IV- \$15/hr			100%
Recreation	Rentals	Gym, Fields, Courts & Pool Rentals	Lifeguard Fees (per Lifeguard) ²	Priority V- \$30/hr	Priority V- \$30/hr			100%
Recreation	Rentals	Higuera Adobe	Application Fee (non-refundable) ¹	\$ 20	\$20 - \$30	\$10		100%
Recreation	Rentals	Higuera Adobe	Rental Deposit ¹	\$ 750	\$ 750			100%
Recreation	Rentals	Higuera Adobe	Auditorium	Priority II- No Fee	Priority II- No Fee			100%
Recreation	Rentals	Higuera Adobe	Auditorium	Priority III- \$50/hr	Priority III- \$50/hr			100%
Recreation	Rentals	Higuera Adobe	Auditorium	Priority IV- \$100/hr	Priority IV- \$100/hr			100%
Recreation	Rentals	Higuera Adobe	Auditorium	Priority V- \$160/hr	Priority V- \$160/hr			100%
Recreation	Rentals	Higuera Adobe	Facility Attendant Fees (per attendant)	Priority II, III, & IV- \$30/hr	Priority II, III, & IV- \$30/hr			100%
Recreation	Rentals	Higuera Adobe	Facility Attendant Fees (per attendant)	Priority V- \$60/hr	Priority V- \$60/hr			100%
Recreation	Rentals	Mobile Stage Rental	Rental (Actual Cost of towing plus hours of staff time each way for 2 staff) (within City of Milpitas city limits, minimum 4 hours of use)	Priority V- N/A	Priority V- N/A			100%
Recreation	Rentals	Mobile Stage Rental	Deposit	Priority II & IV- \$1,000	All Priorities- \$1,000			100%
Recreation	Rentals	Mobile Stage Rental	Deposit	Priority III & V - N/A	Priority III & V - N/A			100%
Recreation	Rentals	Mobile Stage Rental	Rental	Priority II, III, IV- Actual cost of towing, \$400/day plus 2 hours of staff time each way or 2 staff	All Priorities - \$1250 - \$2500/per day	\$1,250-\$2,500/day	\$12,500	100%
Recreation	Rentals	Mobile Stage Rental	Light Package	new	\$100 - \$1000per rental based on needs and packages	\$100-\$1,000	\$500	100%
Recreation	Rentals	Mobile Stage Rental	Light Mixer	new	\$100 - \$400 per rental based on needs and days	\$100-\$400/hr		100%
Recreation	Rentals	Mobile Stage Rental	Light Tech	new	\$30 - \$100 per hour based on cost of tech	\$30-\$100/hr		100%

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Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	Amount of Change	FY 19-20 Estimated Revenue Increase/Change (new or changed fees only)	Municipal Code Cost Recovery Goals
Recreation	Rentals	Mobile Stage Rental	Stage Extentions/Stage Risers	new	\$100 - \$500 per rental based on needs and packages	\$100-\$500	\$700	100%
		Mobile Stage Rental	Staff Fee	new	\$30 - \$100 per hour based on needs, actual costs of staff used in rental, time for load in/out and transportation	\$30-\$100/hr	\$2,550	100%
Recreation	Rentals	Mobile Stage Rental	Sound Package	new	\$100 - \$2500 per rental based on needs and packages	\$100-\$2500/hr		100%
Recreation	Rentals	Mobile Stage Rental	Sound Tech	new	\$30 - \$100 per hour based on cost of tech	\$30-\$100/hr		100%
Recreation	Rentals	Mobile Stage Rental	Audio Mixer	new	\$100 - \$400 per rental based on needs and Days	\$100-\$400		100%
Recreation	Rentals	Mobile Stage Rental	Mileage	new	\$0.30 - \$2.00 per mile outside city limits based on current gas prices	\$0.30-\$2.00 per mile		100%
Recreation	Rentals	Mobile Stage Rental	ADA Ramp	new	\$250	\$250		100%
Recreation	Rentals	Mobile Stage Rental	Truss Roof Cover/ Banner Support	new	\$100 - \$400 per rental based on needs and packages	\$100-\$400		100%
Recreation	Rentals	Picnic Area Rentals	Application Fee (non-refundable)	\$20	\$20 - \$30	\$10		100%
Recreation	Rentals	Picnic Area Rentals	Rental Deposit: Large Picnic Area	\$250	\$250			100%
Recreation	Rentals	Picnic Area Rentals	Small Parks with Restrooms (50 or less capacity) ¹	Priority III & IV- \$60/day/area	Priority III & IV- \$60/day/area			100%
Recreation	Rentals	Picnic Area Rentals	Small Parks with Restrooms (50 or less capacity) ¹	Priority V- \$120/day/area	Priority V- \$120/day/area			100%
Recreation	Rentals	Picnic Area Rentals	Small Parks without Restrooms (50 or less capacity) ¹	Priority III & IV- \$40/day/area	Priority III & IV- \$40/day/area			100%
Recreation	Rentals	Picnic Area Rentals	Small Parks without Restrooms (50 or less capacity) ¹	Priority V- \$100/day/area	Priority V- \$100/day/area			100%
Recreation	Rentals	Picnic Area Rentals	Medium Parks - 50 to 100 or less capacity ¹	Priority III & IV- \$120/day/area	Priority III & IV- \$120/day/area			100%
Recreation	Rentals	Picnic Area Rentals	Medium Parks - 50 to 100 or less capacity ¹	Priority V- \$180/day/area	Priority V- \$180/day/area			100%
Recreation	Rentals	Picnic Area Rentals	Large Parks- More than 100+ capacity ¹	Priority III & IV- \$300/day/area	Priority III & IV- \$300/day/area			100%
Recreation	Rentals	Picnic Area Rentals	Large Parks- More than 100+ capacity ¹	Priority V- \$360.00/day/area	Priority V- \$360/day/area			100%
Recreation	Rentals	Sal Cracolice Facility Rental	Application Fee (non-refundable)	\$20	\$20 - \$30	\$10		100%
Recreation	Rentals	Sal Cracolice Facility Rental	Rental Deposits*	\$750	\$750			100%
Recreation	Rentals	Sal Cracolice Facility Rental	Auditorium w/kitchenette (3hr. Minimum)	Priority II- No Fee	Priority II- No Fee			25%
Recreation	Rentals	Sal Cracolice Facility Rental	Auditorium w/kitchenette (3hr. Minimum)	Priority III- \$80/hr.	Priority III- \$80/hr.			25%
Recreation	Rentals	Sal Cracolice Facility Rental	Auditorium w/kitchenette (3hr. Minimum)	Priority IV- \$160/hr.	Priority IV- \$160/hr.			25%
Recreation	Rentals	Sal Cracolice Facility Rental	Auditorium w/kitchenette (3hr. Minimum)	Priority V- \$220/hr.	Priority V- \$220/hr.			25%
Recreation	Rentals	Sal Cracolice Facility Rental	Facility Attendant Fees (per attendant)	Priority II, III, & IV- \$30/hr.	Priority II, III, & IV- \$30/hr.			25%
Recreation	Rentals	Sal Cracolice Facility Rental	Facility Attendant Fees (per attendant)	Priority V- \$60/hr	Priority V- \$60/hr			25%

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Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	Amount of Change	FY 19-20 Estimated Revenue Increase/Change (new or changed fees only)	Municipal Code Cost Recovery Goals
Recreation	Rentals	Sal Cracolice Facility Rental	Amphitheatre	Priority II, III, & IV- \$120/day	Priority II, III, & IV- \$120/day			25%
Recreation	Rentals	Sal Cracolice Facility Rental	Amphitheatre	Priority V- \$180/day	Priority V- \$180/day			25%
Recreation	Rentals	Sal Cracolice Facility Rental	Meeting Room	Priority II- No Fee	Priority II- No Fee			25%
Recreation	Rentals	Sal Cracolice Facility Rental	Meeting Room	Priority III- \$45/hr	Priority III- \$45/hr			25%
Recreation	Rentals	Sal Cracolice Facility Rental	Meeting Room	Priority IV- \$90/hr	Priority IV- \$90/hr			25%
Recreation	Rentals	Sal Cracolice Facility Rental	Meeting Room	Priority V- \$150/hr	Priority V- \$150/hr			25%
Recreation	Rentals	Senior Center Rentals	Application Fee (non-refundable)	\$20	\$20 - \$30	\$10		25%
Recreation	Rentals	Senior Center Rentals	Rental Deposits: Auditorium ¹	\$750	\$ 750			25%
Recreation	Rentals	Senior Center Rentals	Rental Deposits: Classrooms	Priority II- No Fee	Priority II- No Fee			25%
Recreation	Rentals	Senior Center Rentals	Rental Deposits: Classrooms	Priority III- \$90/hr	Priority III- \$90/hr			25%
Recreation	Rentals	Senior Center Rentals	Rental Deposits: Classrooms	Priority IV- \$180/hr	Priority IV- \$180/hr			25%
Recreation	Rentals	Senior Center Rentals	Rental Deposits: Classrooms	Priority V- \$240/hr	Priority V- \$240/hr			25%
Recreation	Rentals	Senior Center Rentals	Community Room Auditorium (3hr. Minimum)	Priority II- No Fee	Priority II- No Fee			25%
Recreation	Rentals	Senior Center Rentals	Community Room Auditorium (3hr. Minimum)	Priority III- \$90/hr	Priority III- \$90/hr			25%
Recreation	Rentals	Senior Center Rentals	Community Room Auditorium (3hr. Minimum)	Priority IV- \$180/hr	Priority IV- \$180/hr			25%
Recreation	Rentals	Senior Center Rentals	Community Room Auditorium (3hr. Minimum)	Priority V- \$240/hr	Priority V- \$240/hr			25%
Recreation	Rentals	Senior Center Rentals	Classroom 140 and 141 (Full)	Priority II- No Fee	Priority II- No Fee			25%
Recreation	Rentals	Senior Center Rentals	Classroom 140 and 141 (Full)	Priority III- \$45/hr	Priority III- \$45/hr			25%
Recreation	Rentals	Senior Center Rentals	Classroom 140 and 141 (Full)	Priority IV- \$90/hr	Priority IV- \$90/hr			25%
Recreation	Rentals	Senior Center Rentals	Classroom 140 and 141 (Full)	Priority V- \$150/hr	Priority V- \$150/hr			100%
Recreation	Rentals	Senior Center Rentals	Classroom 140 and 141 (Half)	Priority II- No Fee	Priority II- No Fee			100%
Recreation	Rentals	Senior Center Rentals	Classroom 140 and 141 (Half)	Priority III- \$25/hr	Priority III- \$25/hr			100%
Recreation	Rentals	Senior Center Rentals	Classroom 140 and 141 (Half)	Priority IV- \$50/hr	Priority IV- \$50/hr			100%
Recreation	Rentals	Senior Center Rentals	Classroom 140 and 141 (Half)	Priority V- \$110/hr	Priority V- \$110/hr			100%
Recreation	Rentals	Senior Center Rentals	Facility Attendant Fees (per attendant)	Priority II, III, & IV- \$30/hr	Priority II, III, & IV- \$30/hr			100%
Recreation	Rentals	Senior Center Rentals	Facility Attendant Fees (per attendant)	Priority V- \$60/hr	Priority V- \$60/hr			100%
Recreation	Rentals	Senior Center Rentals	Dance Studio	Priority II- No Fee	Priority II- No Fee			100%
Recreation	Rentals	Senior Center Rentals	Dance Studio	Priority III- \$20/hr	Priority III- \$20/hr			100%
Recreation	Rentals	Senior Center Rentals	Dance Studio	Priority IV- \$40/hr	Priority IV- \$40/hr			100%
Recreation	Rentals	Senior Center Rentals	Dance Studio	Priority V- \$100/hr	Priority V- \$100/hr			100%
Recreation	Rentals	Senior Enrichment Fees(50+ years of age)	Garden Plots (Residents Only)	\$15/year	\$15/year			100%
Recreation	Rentals	Tennis Court Rentals	Deposit ¹	\$ 250	\$ 250			100%
Recreation	Rentals	Tennis Court Rentals	Tennis Courts w/o lights (per court)	Priority II & III- N/A	Priority II & III- N/A			100%
Recreation	Rentals	Tennis Court Rentals	Tennis Courts w/o lights (per court)	Priority IV - \$13/hr.	Priority IV - \$13/hr.			100%
Recreation	Rentals	Tennis Court Rentals	Tennis Courts w/o lights (per court)	Priority V- \$15/hr	Priority V- \$15/hr			25%
Recreation	Rentals	Tennis Court Rentals	Tennis Courts w/ lights (per court)	Priority II & III- N/A	Priority II & III- N/A			25%
Recreation	Rentals	Tennis Court Rentals	Tennis Courts w/ lights (per court)	Priority IV- \$10/hr	Priority IV- \$10/hr			25%
Recreation	Rentals	Tennis Court Rentals	Tennis Courts w/ lights (per court)	Priority V- \$14/hr	Priority V- \$14/hr			25%
Recreation	Rentals	Tennis Court Rentals	Tournament: Tennis Courts w/o lights	new	Priority II & III- N/A			25%
Recreation	Rentals	Tennis Court Rentals	Tournament: Tennis Courts w/o lights	new	Priority IV- \$26/hr	\$26/hr	\$2,800	25%
Recreation	Rentals	Tennis Court Rentals	Tournament: Tennis Courts w/o lights	new	Priority V- \$52/hr	\$52/hr	\$5,616	25%
Recreation	Rentals	Tennis Court Rentals	Tournament: Tennis Courts w/ lights	new	Priority II & III- N/A			0%
Recreation	Rentals	Tennis Court Rentals	Tournament: Tennis Courts w/ lights	new	Priority IV- \$30/hr	\$30/hr	\$3,240	0%
Recreation	Rentals	Tennis Court Rentals	Tournament: Tennis Courts w/ lights	new	Priority V- \$60/hr	\$60/hr	\$6,480	100%
Recreation	Rentals		Rental Deposits: All other rooms ¹	\$200	\$200			0%
Recreation	Sales	Department General Fees	Recreation Services Merchandise	Actual cost to City + appropriate market % mark-up	Actual cost to City + appropriate market % mark-up			50%

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¹No fee for Priority II²No fee for Priority III

Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	Amount of Change	FY 19-20 Estimated Revenue Increase/Change (new or changed fees only)	Municipal Code Cost Recovery Goals
Recreation	Seniors	Department General Fees	Milpitas Resident Senior Citizen Discount (50 years+)	25% off any non-senior center based class	25% off any non-senior center based class			50%
Recreation	Seniors	Senior Enrichment Fees(50+ years of age)	Senior Center Programs-Classes	\$2 - \$5/hour per hr. of instruction	\$2 - \$5/hour per hr. of instruction			50%
Recreation	Seniors	Senior Enrichment Fees(50+ years of age)	Senior Center Citizen Trip Admin Fee	\$5- 10/avity (depending upon trip costs)	\$5 - 10/activity (depending upon trip costs)			50%
Recreation	Seniors	Senior Enrichment Fees(50+ years of age)	Misc. Senior Center staff-run Programs/Events (e.g., Holiday Dinner, Tea Parties, Cooking Classes, Dances, Misc. Activities)	\$0.00 - \$15	\$0.00 - \$15			50%
Recreation	Seniors	Senior Enrichment Fees(50+ years of age)	Senior Center Program/Class Non-Resident Fee	\$10/class	\$10/class			50%
Recreation	Seniors	Senior Enrichment Fees(50+ years of age)	Senior Center Fitness Room	\$1.50/visit	\$1.50/visit			50%
Recreation	Special Events	Special Event Fees	Special Event Entrance Fee	\$0.00 - \$50	\$0.00 - \$50		\$1,200	
Recreation	Special Events	Special Event Fees	Special Events Activity Fee	\$0.00 - \$15	\$0.00 - \$15			
Recreation	Special Events	Special Event Fees	Special Event Vendor Fees	\$30-\$275 per space OR 5% - 20% net sales	\$100-\$500 per space OR 5% - 20% net sales	\$70-\$225		\$3,200
Recreation	Special Events	Special Event Fees	Special Event Non-Profit Vendor Fees	\$30 - \$125 per space OR 0% - 10% net sales	\$0.00 - \$250 per space OR 0% - 10% net sales	\$0-\$125		\$2,200
Recreation	Youth	Youth Enrichment Fees	Youth Sports User Fee (Outdoor)	\$10/per player per season	\$10/per player per season			
Recreation	Youth	Youth Enrichment Fees	Youth Sport User Fee (Indoor)	\$20/per player per new	\$20/per player per new		\$129-\$160	
Recreation	Youth	Youth Enrichment Fees	Junior Warriors Basketball League	\$8- \$12/day for residents	\$8- \$12/day for residents			
Recreation	Youth	Youth Enrichment Fees	After School Program	\$8 - \$12/day for non-residents with additional \$20/year	\$8 - \$12/day for non-residents with additional \$20/year			
Recreation	Youth	Youth Enrichment Fees	Late fee for After-School/Day Camp Programs	\$10/10 minutes – 1 st offense & 2 nd offense \$25/10 minutes – after 3rd offense	\$10/10 minutes – 1 st offense & 2 nd offense \$25/10 minutes – after 3rd offense			
Recreation	Youth	Youth Enrichment Fees	Day Camp (Regular Day) – Staff Run	\$175 - \$195/week	\$175 - \$195/week		\$14,000	
Recreation	Youth	Youth Enrichment Fees	Trip Week Day Camp	new	\$299 - \$350/week	\$299-\$350/week	\$2,448	
Recreation	Youth	Youth Enrichment Fees	Extended Care Day Camp	\$40.00/week	\$40 week			

Total Potential Revenue Increase for 2019-20:

\$147,836

Notes:

1. Recreation Fees recovery goals may be adjusted/balanced based on "market factors"

Legend, Recreation Fees

Priority II= Milpitas Public Schools, Chamber, and Gov. Agencies

Priority III= Resident Non-Profits

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Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	Amount of Change	FY 19-20 Estimated Revenue Increase/Change (new or changed fees only)	Municipal Code Cost Recovery Goals
Priority IV= Milpitas Residents Priority V= Non-Resident								

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²No fee for Priority III

Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	\$ Change	Municipal Code Cost Recovery Goals
Engineering	Fee	Land Development	Minor Encroachment Permit	\$450.00	\$1,674.85	\$1,225	100%
Engineering	Fee	Land Development	Lot Line / Merger Adjustment	\$615.00	\$1,774.16	\$1,159	100%
Engineering	Fee	Land Development	Street / Alley Easement Vacation	\$545.00	\$2,293.60	\$1,749	100%
Engineering	Fee	Land Development	Bldg Permit Reviews:				
Engineering	Fee	Land Development	Single Family New Building / Addition		\$587.29		100%
Engineering	Fee	Land Development	Commercial / Industrial New Building		\$1,957.64		100%
Engineering	Fee	Land Development	Commercial / Industrial Tenant Improvement		\$195.76		100%
Engineering	Fee	Land Development	Commercial / Industrial Site Improvement (including Grading)		\$1,761.88		100%
Engineering	Deposit	Land Development	Engineering Plan Review: (Construction Cost Estimate)				
Engineering	Deposit	Land Development	Up to \$50,000		\$5,000.00		100%
Engineering	Deposit	Land Development	\$50,001-\$200,000		\$10,000.00		100%
Engineering	Deposit	Land Development	\$200,001-\$500,000		\$15,000.00		100%
Engineering	Deposit	Land Development	Over \$500,001		\$20,000.00		100%
Engineering	Deposit	Land Development	Engineering Inspection: (Construction Cost Estimate)				
Engineering	Deposit	Land Development	Up to \$50,000		\$5,000.00		100%
Engineering	Deposit	Land Development	Greater than \$50,000 - % of Construction Cost Estimate		\$0.10		100%
Engineering	Fee	Land Development	Technology Fee - % of Permit		\$0.03		100%
Fire	Fee	Fire Prevention	ANNUAL OPERATIONAL PERMITS				
Fire	Fee	Fire Prevention	A-1 Occupancy (theaters and other small viewing halls)	\$828.00	\$1,104.61	\$277	100%
Fire	Fee	Fire Prevention	A-2 Occupancy (Food & Drink Establishment)	\$621.00	\$835.00	\$214	100%
Fire	Fee	Fire Prevention	A-3 Occupancy (Worship, recreation, or amusement)	\$621.00	\$835.00	\$214	100%
Fire	Fee	Fire Prevention	A-4 & A-5 Occupancy (indoors or outdoors sport event structures)	\$1,449.00	\$1,913.45	\$464	100%
Fire	Fee	Fire Prevention	High Piled Storage	\$828.00	\$1,104.61	\$277	100%
Fire	Fee	Fire Prevention	Malls				
Fire	Fee	Fire Prevention	Mall - small (0 to 50,000 s.f.)	\$1,449.00	\$821.92	-\$627	100%
Fire	Fee	Fire Prevention	Mall - medium (50,001 to 100,000 s.f.)	\$1,449.00	\$1,374.22	-\$75	100%
Fire	Fee	Fire Prevention	Mall - large (over 100,000 s.f.)	\$1,449.00	\$1,913.45	\$464	100%
Fire	Fee	Fire Prevention	Combustible Dust Producing Facility		\$552.31		100%
Fire	Fee	Fire Prevention	Motels	\$621.00	\$835.00	\$214	100%
Fire	Fee	Fire Prevention	Hotels & Multi-Story Structures (<5 stories)	\$1,242.00	\$1,643.84	\$402	100%
Fire	Fee	Fire Prevention	Hotels & Multi-Story Structures (5+ stories) - per floor	\$310.50	\$276.15	-\$34	100%
Fire	Fee	Fire Prevention	Commercial Daycare - Small (<100 children or elderly)	\$414.00	\$539.22	\$125	100%
Fire	Fee	Fire Prevention	Commercial Daycare - Large (100+ childre or elderly)	\$828.00	\$1,078.45	\$250	100%
Fire	Fee	Fire Prevention	Residential - Small Family Daycare (8 or fewer children)	\$0.00	\$269.61		100%
Fire	Fee	Fire Prevention	Residential - Large Family Daycare (9-14 children)	\$103.50	\$270.00	\$167	100%
Fire	Fee	Fire Prevention	Residential - Elderly Care (6 or fewer people)	\$0.00	\$270.00		100%
Fire	Fee	Fire Prevention	Small Apartments (3-4 units)	\$310.50	\$269.61	-\$41	100%
Fire	Fee	Fire Prevention	Medium Apartmnets (5-15 units)	\$1,242.00	\$1,078.45	-\$164	100%
Fire	Fee	Fire Prevention	Large Apartments (more than 15 units)	\$1,656.00	\$1,617.67	-\$38	100%
Fire	Fee	Fire Prevention	Small Chemical User (Example: doctor/dentist, dry cleaner, photo shop, grap	\$414.00	\$565.39	\$151	100%
Fire	Fee	Fire Prevention	Medium Chemical User (Example: automobile body shop, research and desig	\$1,035.00	\$1,400.39	\$365	100%

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Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	\$ Change	Municipal Code Cost Recovery Goals
Fire	Fee	Fire Prevention	Large Chemical User (Semiconductor or similar facilities)	\$1,656.00	\$2,209.23	\$553	100%
Fire	Fee	Fire Prevention	Plating Shops	\$1,242.00	\$1,670.00	\$428	100%
Fire	Fee	Fire Prevention	Small Toxic Gas - Annual Monitoring Certification	\$828.00	\$1,078.45	\$250	100%
Fire	Fee	Fire Prevention	Large Toxic Gas - Annual Monitoring Certification	\$1,656.00	\$2,156.89	\$501	100%
Fire	Fee	Fire Prevention	Mobile Fueling - Vendor	\$1,035.00	\$1,400.39	\$365	100%
Fire	Fee	Fire Prevention	Mobile Fueling - Site	\$1,035.00	\$1,400.39	\$365	100%
Fire	Fee	Fire Prevention	Underground Tanks	\$621.00	\$849.18	\$228	100%
Fire	Fee	Fire Prevention	Urban Runoff Inspections - Industrial	\$414.00	\$565.39	\$151	100%
Fire	Fee	Fire Prevention	Urban Runoff Inspections - Restaurants (once every 2 years)	\$414.00	\$565.39	\$151	100%
Fire	Fee	Fire Prevention	Other Miscellaneous Annual Inspections Fee - per hour	\$207.00	\$269.61	\$63	100%
Fire	Fee	Fire Prevention	CONSTRUCTION REVIEW / PERMIT / INSPECTION				
Fire	Fee	Fire Prevention	Building Life / Safety:				
Fire	Fee	Fire Prevention	Demolition Fees:				
Fire	Fee	Fire Prevention	Interior or Partial Building or Misc. Demolition	\$414.00	\$540.08	\$126	100%
Fire	Fee	Fire Prevention	Complete Building with or without Site Demolition	\$621.00	\$810.55	\$190	100%
Grading Fees: These are only assessed if permits are submitted separately to Building Department from new construction or remodel permits.							
Fire	Fee	Fire Prevention	Less than 1 acre	\$414.00	\$540.08	\$126	100%
Fire	Fee	Fire Prevention	1-5 acres	\$621.00	\$810.55	\$190	100%
Fire	Fee	Fire Prevention	Greater than 5 acres	\$828.00	\$1,081.03	\$253	100%
Site Improvement Fees: These are only assessed if permits are submitted separately to Building Department from new construction or remodel permits.							
Fire	Fee	Fire Prevention	Less than 1 acre	\$621.00	\$810.55	\$190	100%
Fire	Fee	Fire Prevention	1-5 acres	\$1,242.00	\$1,621.11	\$379	100%
Fire	Fee	Fire Prevention	Greater than 5 acres – per acre	\$414.00	\$270.47	-\$144	100%
Fire	Fee	Fire Prevention	New Building – Shell:				
Fire	Fee	Fire Prevention	Less than 5,000 sq. ft.	\$621.00	\$810.55	\$190	100%
Fire	Fee	Fire Prevention	5,000-25,000 sq. ft.	\$1,242.00	\$1,621.11	\$379	100%
Fire	Fee	Fire Prevention	25,000-50,000 sq. ft.	\$1,863.00	\$2,431.66	\$569	100%
Fire	Fee	Fire Prevention	50,000+ sq. ft. – per sq. ft.	\$0.04	\$0.05	\$0	100%
Fire	Fee	Fire Prevention	New Building – New Construction:				
Fire	Fee	Fire Prevention	Less than 5,000 sq. ft.	\$621.00	\$810.55	\$190	100%
Fire	Fee	Fire Prevention	5,000-25,000 sq. ft.	\$1,656.00	\$2,161.19	\$505	100%
Fire	Fee	Fire Prevention	25,000-50,000 sq. ft.	\$3,105.00	\$4,052.77	\$948	100%
Fire	Fee	Fire Prevention	50,000+ sq. ft. – per sq. ft.	\$0.06	\$0.08	\$0	100%
Fire	Fee	Fire Prevention	Additions, Alterations, and Tenant Improvements:				
Fire	Fee	Fire Prevention	Less than 5,000 sq. ft.	\$621.00	\$514.78	-\$106	100%
Fire	Fee	Fire Prevention	5,000-25,000 sq. ft.	\$1,656.00	\$2,034.65	\$379	100%
Fire	Fee	Fire Prevention	25,000-50,000 sq. ft.	\$3,105.00	\$3,799.70	\$695	100%

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Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	\$ Change	Municipal Code Cost Recovery Goals
Fire	Fee	Fire Prevention	50,000+ sq. ft. – per sq. ft.	\$0.06	\$0.08	\$0.02	100%
Fire	Fee	Fire Prevention	Missed Plan Check by Appointment	\$207.00	\$270.47	\$63	100%
Fire	Fee	Fire Prevention	Revision to Project Fee - per hour (min 1 hr)	\$207.00	\$270.47	\$63	100%
Fire	Fee	Fire Prevention	Tents, Canopies, or Membrane Structures:				
Fire	Fee	Fire Prevention	4 or less	\$621.00	\$809.69	\$189	100%
Fire	Fee	Fire Prevention	5+	\$828.00	\$1,080.17	\$252	100%
Fire	Fee	Fire Prevention	Temporary Assembly (Indoors or outdoors), with or w/out tent				
Fire	Fee	Fire Prevention	Occupancy 50-299	\$621.00	\$809.69	\$189	100%
Fire	Fee	Fire Prevention	Occupancy 300-999	\$1,035.00	\$1,349.78	\$315	100%
Fire	Fee	Fire Prevention	Occupancy 1000+	\$1,656.00	\$2,160.33	\$504	100%
Fire	Fee	Fire Prevention	Fire Extinguishing Systems: These are typically deferred submittals and reviewed and inspected after building plan subr				100%
Fire	Fee	Fire Prevention	Fire Service Underground:				100%
Fire	Fee	Fire Prevention	New or Replace - each	\$1,035.00	\$1,349.78	\$315	100%
Fire	Fee	Fire Prevention	Repairs	\$414.00	\$540.08	\$126	100%
Fire	Fee	Fire Prevention	Fire Sprinkler Systems:				
Fire	Fee	Fire Prevention	Less than 2,000 sq. ft	\$621.00	\$784.39	\$163	100%
Fire	Fee	Fire Prevention	2,000+ sq. ft. – per sq. ft., fee = $784 + [(project\ sq.\ ft. - 2,000\ sq.\ ft.) * per\ sq.\ ft.]$	\$0.14	\$0.13	-\$0.01	100%
Fire	Fee	Fire Prevention	Hood & Duct Systems – Each	\$828.00	\$1,080.17	\$252	100%
Fire	Fee	Fire Prevention	FM 2000 (under floor systems, etc.) each	\$828.00	\$1,080.17	\$252	100%
Fire	Fee	Fire Prevention	Other (deluge, foam, preaction, etc.) each	\$828.00	\$1,080.17	\$252	100%
Fire	Fee	Fire Prevention	Fire Alarm Systems:				
Fire	Fee	Fire Prevention	Additions, Alterations, or Repairs: If more than 10 devices than the New Fire Alarm fee applies.				
Fire	Fee	Fire Prevention	1-5 Devices	\$414.00	\$540.08	\$126	100%
Fire	Fee	Fire Prevention	5-10 Devices	\$828.00	\$1,080.17	\$252	100%
Fire	Fee	Fire Prevention	New Fire Alarm:				
Fire	Fee	Fire Prevention	Less than 5,000 sq. ft.	\$828.00	\$1,080.17	\$252	100%
Fire	Fee	Fire Prevention	5,000+ sq. ft. – per sq. ft., fee = $1,080 + [(project\ sq.\ ft. - 5,000\ sq.\ ft.) * per\ sq.\ ft.]$	\$0.12	\$0.18	\$0.06	100%
Fire	Fee	Fire Prevention	Hazardous Materials - Building Construction:				
Fire	Fee	Fire Prevention	Small TI (Example: registration form, inert compressed gas system installat	\$414.00	\$547.17	\$133	100%
Fire	Fee	Fire Prevention	Medium TI (Construction not otherwise classified as Small or Large TI. Exar	\$1,035.00	\$1,371.04	\$336	100%
Fire	Fee	Fire Prevention	Large TI (H Occupancy, Plating)	\$1,863.00	\$2,465.38	\$602	100%
Fire	Fee	Fire Prevention	Toxic Gas Tools (furnaces, implanter, reactors)	\$1,656.00	\$2,194.91	\$539	100%
Fire	Fee	Fire Prevention	Closure - process / tools	\$621.00	\$823.87	\$203	100%
Fire	Fee	Fire Prevention	Closure - Facility				
Fire	Fee	Fire Prevention	Small TI	\$0.00	\$411.94	\$412	100%
Fire	Fee	Fire Prevention	Medium TI	\$621.00	\$823.87	\$203	100%
Fire	Fee	Fire Prevention	Large TI	\$1,035.00	\$1,371.04	\$336	100%
Fire	Fee	Fire Prevention	Underground Tank Installation:				
Fire	Fee	Fire Prevention	4 Tank System or less	\$4,140.00	\$4,930.77	\$791	100%
Fire	Fee	Fire Prevention	Each additional tank	\$414.00	\$553.40	\$139	100%
Fire	Fee	Fire Prevention	Underground Tank Removal:				

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Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	\$ Change	Municipal Code Cost Recovery Goals
Fire	Fee	Fire Prevention	2 Tank System or Less	\$1,656.00	\$2,201.14	\$545	100%
Fire	Fee	Fire Prevention	Each additional tank	\$207.00	\$276.70	\$70	100%
Fire	Fee	Fire Prevention	CERS & APSA - Fee no longer applicable				
Fire	Fee	Fire Prevention	CERS - Fee no longer applicable	\$414.00	\$0.00	-\$414	100%
Fire	Fee	Fire Prevention	APSA - Fee no longer applicable	\$414.00	\$0.00	-\$414	100%
Fire	Fee	Fire Prevention	MISCELLANEOUS FEES:				
Fire	Fee	Fire Prevention	After Hours or Fast-Track Plan Check, Inspection - 3 hrs min at OT Rate	\$931.50	\$952.76	\$21	100%
Fire	Fee	Fire Prevention	Alternate Materials & Methods Review	\$828.00	\$980.66	\$153	100%
Fire	Fee	Fire Prevention	New Occupancy (new business) with no Hazardous Materials	\$207.00	\$269.61	\$63	100%
Fire	Fee	Fire Prevention	New Occupancy (new business) with Hazardous Materials	\$414.00	\$539.22	\$125	100%
Fire	Fee	Fire Prevention	Smoke Detectors Verifications (new owner)	\$207.00	\$269.61	\$63	100%
Fire	Fee	Fire Prevention	Title 19 5-year automatic fire sprinkler certification	\$621.00	\$784.39	\$163	100%
Fire	Fee	Fire Prevention	Failure to cancel a scheduled inspection 24 hrs. prior	\$207.00	\$269.61	\$63	100%
Fire	Fee	Fire Prevention	Temporary Certificate of Occupancy	\$103.50	\$134.81	\$31	100%
Fire	Fee	Fire Prevention	Standard Hourly Rate - per hour	\$207.00	\$270.04	\$63	100%
Fire	Fee	Fire Prevention	Overtime Hourly Fee - per hour	\$310.50	\$317.59	\$7	100%
Fire	Fee	Fire Prevention	Other activities not listed - per hour	\$207.00	\$269.61	\$63	100%
Fire	Fee	Fire Prevention	Fire Department Technology Fee - % of permit	\$6.77	2.60%		100%
Fire	Fee	Fire Prevention	Emergency Response Mapping - new projects - per hour	\$207.00	\$245.16	\$38	100%
Planning	Fee	Planning	Special Events:				
Planning	Fee	Planning	Application - minor events	\$250.00	\$908.54	\$659	100%
Planning	Fee	Planning	Application - major events	\$750.00	\$5,564.86	\$4,815	100%
Planning	Fee	Planning	Conceptual Review - Planning Staff Only - per meeting		\$348.38	\$348	100%
Planning	Fee	Planning	Pre Application Review Process:				
Planning	Fee	Planning	Single Family / Additonal Dwelling Units		\$2,607.66	\$2,608	100%
Planning	Fee	Planning	All Others		\$8,437.56	\$8,438	100%
Planning	Fee	Planning	Tentative Maps:				
Planning	Fee	Planning	Parcel Map		\$12,860.13	\$12,860	100%
Planning	Fee	Planning	Tract Map		\$18,650.19	\$18,650	100%
Planning	Fee	Planning	Minor Site Development:				
Planning	Fee	Planning	Staff Review	\$250.00	\$2,944.01	\$2,694	100%
Planning	Fee	Planning	Staff Review - Hill Side	\$750.00	\$4,135.52	\$3,386	100%
Planning	Fee	Planning	Requiring PC / CC Approval	\$750.00	\$8,805.99	\$8,056	100%
Planning	Fee	Planning	Site Development:				
Planning	Fee	Planning	New Development		\$15,551.92	\$15,552	100%
Planning	Fee	Planning	Additions/Alterations 200+ sf		\$4,457.66	\$4,458	100%
Planning	Fee	Planning	Minor Conditional Use Permit:				
Planning	Fee	Planning	Staff Review	\$165.00	\$1,182.54	\$1,018	100%
Planning	Fee	Planning	Requiring PC / CC Approval	\$750.00	\$2,807.23	\$2,057	100%
Planning	Fee	Planning	Conditional Use Permit:				
Planning	Fee	Planning	Single Family Districts	\$50.00	\$518.59	\$469	100%

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Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	\$ Change	Municipal Code Cost Recovery Goals
Planning	Fee	Planning	Family Day Care Homes	\$375.00	\$935.48	\$560	100%
Planning	Fee	Planning	All Other CUPs		\$14,069.26	\$14,069	100%
Planning	Fee	Planning	Signs:				
Planning	Fee	Planning	Temporary (Including Banners)		\$109.59	\$110	100%
Planning	Fee	Planning	Permanent (including Wall Signs)	\$151.00	\$317.17	\$166	100%
Planning	Fee	Planning	Freestanding signs over 6ft in height	\$151.00	\$536.34	\$385	100%
Planning	Fee	Planning	Variance:				
Planning	Fee	Planning	Single Family	\$375.00	\$954.41	\$579	100%
Planning	Fee	Planning	Signs	\$700.00	\$936.98	\$237	100%
Planning	Fee	Planning	Multi-Family / Non-Residential		\$2,939.23	\$2,939	100%
Planning		Planning	Deposit-Based Fees:				
Planning	Deposit	Planning	Amendments, General Plan, Zoning, or Specific Plan (Map or Text)		\$20,000.00		100%
Planning	Deposit	Planning	Development Agreements		\$20,000.00		100%
Planning	Deposit	Planning	Environmental Review/CEQA clearance		\$35,000.00		100%
Planning	Deposit	Planning	Planned Unit Development		\$20,000.00		100%
Planning	Deposit	Planning	Billboards		\$2,500.00		100%
Planning	Fee	Planning	Miscellaneous Fees:				
Planning	Fee	Planning	Amendments/Modifications	50% of permit	50% of permit		100%
Planning	Fee	Planning	Appeal To Planning Commission/City Council	\$100.00	\$1,858.34	\$1,758	100%
Planning	Fee	Planning	Time Extensions	\$300.00	\$766.71	\$467	100%
Planning	Fee	Planning	Noticing Fee		\$548.72	\$549	100%
Planning	Fee	Planning	Copies - per page	\$0.10	\$0.10		100%
Planning	Fee	Planning	Planning Research - per hour	\$40.00	\$232.25	\$192	100%
Planning	Fee	Planning	Zoning Conformance Letter	\$40.00	\$219.17	\$179	100%
Planning	Fee	Planning	Lot Line Adjustment		\$1,383.28	\$1,383	100%
Planning	Fee	Planning	Home Occupation Permit		\$54.79		100%
Planning	Fee	Planning	Tree Removal		\$222.45		100%
Planning	Fee	Planning	Temporary Use Permit		\$809.19		100%
Planning	Fee	Planning	Building Permit Support		\$464.51		100%
Planning	Fee	Planning	Technology Fee - % of Permit		2.60%		100%
Building & Housing	Fee	Building - Misc	1. RESIDENTIAL				
Building & Housing	Fee	Building - Misc	B. Combination Permits				
Building & Housing	Fee	Building - Misc	Attached Garage - 1 to 3 cars	\$819	\$1,241	\$422	100%
Building & Housing	Fee	Building - Misc	Detached Garage or Shed	\$683	\$1,066	\$383	100%
Building & Housing	Fee	Building - Misc	Bathroom Remodel (1 or more if inspected at same time)	\$576	\$908	\$332	100%
Building & Housing	Fee	Building - Misc	Kitchen Remodel	\$576	\$1,320	\$744	100%
Building & Housing	Fee	Building - Misc	Standard Patio Encl / Sun Room, manufactured	\$758	\$1,169	\$411	100%
Building & Housing	Fee	Building - Misc	Engineered Patio Encl / Sun Room, custom	\$796	\$1,223	\$427	100%
Building & Housing	Fee	Building - Misc	Garage conversion	\$758	\$1,169	\$411	100%
Building & Housing	Fee	Building - Misc	Green House	\$608	\$963	\$355	100%
Building & Housing	Fee	Building - Misc	Patio Cover	\$608	\$963	\$355	100%

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Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	\$ Change	Municipal Code Cost Recovery Goals
Building & Housing	Fee	Building - Misc	Window, Skylight or Exterior Door	\$451	\$806	\$355	100%
Building & Housing	Fee	Building - Misc	C. Miscellaneous Construction				
Building & Housing	Fee	Building - Misc	Wood Fences over 7' high, concrete / masonry over 4' high	\$300	\$717	\$417	100%
Building & Housing	Fee	Building - Misc	Sound Wall	\$796	\$1,244	\$448	100%
Building & Housing	Fee	Building - Misc	Structural Roof Conversions - Per Sq. Ft.	\$1	\$2	\$1	100%
Building & Housing	Fee	Building - Misc	AC Condenser Replacement	\$141	\$257	\$116	100%
Building & Housing	Fee	Building - Misc	Furnace Replacement	\$141	\$309	\$168	100%
Building & Housing	Fee	Building - Misc	Water Heater Replacement	\$141	\$309	\$168	100%
Building & Housing	Fee	Building - Misc	Solar Permit – 15kw or less	\$141	\$500	\$359	100%
Building & Housing	Fee	Building - Misc	Solar Permit – above 15kw – base		\$500		100%
Building & Housing	Fee	Building - Misc	Solar Permit – above 15kw – per kw		\$15		100%
Building & Housing	Fee	Building - Misc	Solar Thermal – 10kwth or less		\$450		100%
Building & Housing	Fee	Building - Misc	Solar Thermal – 10kwth or more - base		\$450		100%
Building & Housing	Fee	Building - Misc	Solar Thermal – 10kwth or more – per kwth		\$15		100%
Building & Housing	Fee	Building - Misc	Fireplace reconstruction	\$301	\$609	\$308	100%
Building & Housing	Fee	Building - Misc	Siding/stucco replacement	\$301	\$514	\$213	100%
Building & Housing	Fee	Building - Misc	Seismic Strengthening	\$301	\$609	\$308	100%
Building & Housing	Fee	Building - Misc	D. Mobilehome Permit Fees				
Building & Housing	Fee	Building - Misc	Permit Issuance Fee	\$115	\$176	\$61	100%
Building & Housing	Fee	Building - Misc	Awning, each	\$196	\$315	\$119	100%
Building & Housing	Fee	Building - Misc	Porch larger than 12 sf. Each	\$196	\$315	\$119	100%
Building & Housing	Fee	Building - Misc	Deck larger than 12 sf. Each	\$196	\$417	\$221	100%
Building & Housing	Fee	Building - Misc	Cabana, each	\$196	\$423	\$227	100%
Building & Housing	Fee	Building - Misc	Ramada, each	\$196	\$423	\$227	100%
Building & Housing	Fee	Building - Misc	Private garage, each	\$196	\$841	\$645	100%
Building & Housing	Fee	Building - Misc	2. COMMERCIAL				
Building & Housing	Fee	Building - Misc	B. Miscellaneous Construction				
Building & Housing	Fee	Building - Misc	Permit Issuance Fee		\$132	\$132	100%
Building & Housing	Fee	Building - Misc	Equipment Installation				
Building & Housing	Fee	Building - Misc	Each Type - Plan Check	\$346	\$435	\$89	100%
Building & Housing	Fee	Building - Misc	Each Piece - Inspection	\$150	\$412	\$262	100%
Building & Housing	Fee	Building - Misc	Racks, each type				
Building & Housing	Fee	Building - Misc	First Rack / Each Rack Type	\$323	\$744	\$421	100%
Building & Housing	Fee	Building - Misc	Each 5 additional racks or fraction thereof	\$162	\$206	\$44	100%
Building & Housing	Fee	Building - Misc	Roof Screen	\$647	\$950	\$303	100%
Building & Housing	Fee	Building - Misc	Fences	\$647	\$950	\$303	100%
Building & Housing	Fee	Building - Misc	Monument Sign				
Building & Housing	Fee	Building - Misc	Not Electrical	\$323	\$629	\$306	100%
Building & Housing	Fee	Building - Misc	Including Electrical	\$323	\$786	\$463	100%
Building & Housing	Fee	Building - Misc	Wall Mounted Sign				
Building & Housing	Fee	Building - Misc	Not Electrical	\$240	\$423	\$183	100%

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Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	\$ Change	Municipal Code Cost Recovery Goals
Building & Housing	Fee	Building - Misc	Including Electrical	\$240	\$581	\$341	100%
Building & Housing	Fee	Building - Misc	Solar – 50kw or less	\$649	\$1,000	\$351	100%
Building & Housing	Fee	Building - Misc	Solar – 50kw – 250kw – Base		\$1,000		100%
Building & Housing	Fee	Building - Misc	Solar – 50kw – 250kw – per kw above 50kw		\$7		100%
Building & Housing	Fee	Building - Misc	Solar – 250+ kw – Base		\$2,400		100%
Building & Housing	Fee	Building - Misc	Solar – 250+ kw – per kw		\$5		100%
Building & Housing	Fee	Building - Misc	Structures not listed: See hourly rates for pc and insp				
Building & Housing	Fee	Building - Misc	C. Other Plan Check, Inspection and Permit Fees				
Building & Housing	Fee	Building - Misc	Certificate of Occupancy (inspection, record review, printing)	\$395	\$639	\$244	100%
Building & Housing	Fee	Building - Misc	Temporary Building Permit Issuance	\$534	\$394	-\$140	100%
Building & Housing	Fee	Building - Misc	Inspection under Temporary Building Permit	\$225	\$0	-\$225	
Building & Housing	Fee	Building - Misc	Accessibility Exception Request	\$345	\$523	\$178	100%
Building & Housing	Fee	Building - Misc	Christmas Tree Lot	\$150	\$294	\$144	100%
Building & Housing	Fee	Building - Misc	Faithful Performance Bond Execution	\$114	\$306	\$192	100%
Building & Housing	Fee	Building - Misc	3. Grading				
Building & Housing	Fee	Building - Misc	Permit Issuance Fee	\$0	\$176	\$176	100%
Building & Housing	Fee	Building - Misc	Plan Check:				
Building & Housing	Fee	Building - Misc	0 - 10,000 Cubic Yards	\$173	\$435	\$262	100%
Building & Housing	Fee	Building - Misc	Add for each additional 10,000 cy or fraction thereof	\$0	\$109	\$109	100%
Building & Housing	Fee	Building - Misc	Over 100,000 Cubic Yards	\$346	\$1,414	\$1,068	100%
Building & Housing	Fee	Building - Misc	Over 100,000 Cubic Yards – add for each additional 10,000 cy or fraction thereof	\$0	\$54	\$54	100%
Building & Housing	Fee	Building - Misc	Inspection:	\$0	\$0		
Building & Housing	Fee	Building - Misc	0 - 10,000 Cubic Yards	\$496	\$720	\$224	100%
Building & Housing	Fee	Building - Misc	Add for each additional 10,000 cy or fraction thereof	\$65	\$103	\$38	100%
Building & Housing	Fee	Building - Misc	Over 100,000 Cubic Yards	\$1,083	\$1,646	\$563	100%
Building & Housing	Fee	Building - Misc	Over 100,000 Cubic Yards – add for each additional 10,000 cy or fraction thereof	\$33	\$51	\$18	100%
Building & Housing	Fee	Building - Misc	4. Site Improvement				
Building & Housing	Fee	Building - Misc	Permit Issuance		\$132	\$132	100%
Building & Housing	Fee	Building - Misc	Plan Check				
Building & Housing	Fee	Building - Misc	0-50,000 sq ft	\$173	\$2,176	\$2,003	100%
Building & Housing	Fee	Building - Misc	50,001-100,000 sq ft		\$3,046	\$3,046	100%
Building & Housing	Fee	Building - Misc	100,001-500,000 sq ft		\$8,703	\$8,703	100%
Building & Housing	Fee	Building - Misc	500,000+ sq ft - per sq. ft.		\$1	\$1	100%
Building & Housing	Fee	Building - Misc	Inspection				
Building & Housing	Fee	Building - Misc	0-50,000 sq ft	\$8,750	\$3,293	-\$5,457	100%
Building & Housing	Fee	Building - Misc	50,001-100,000 sq ft	\$10,000	\$4,939	-\$5,061	100%
Building & Housing	Fee	Building - Misc	100,001-500,000 sq ft	\$19,000	\$10,289	-\$8,711	100%
Building & Housing	Fee	Building - Misc	500,000+ sq ft - per sq. ft.	\$0	\$2	\$2	100%
Building & Housing	Fee	Building - Misc	5. Pools or Spas				
Building & Housing	Fee	Building - Misc	Swimming Pool - Private	\$376	\$935	\$559	100%
Building & Housing	Fee	Building - Misc	Swimming Pool - Public	\$526	\$1,473	\$947	100%

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Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	\$ Change	Municipal Code Cost Recovery Goals
Building & Housing	Fee	Building - Misc	Spa - separate	\$226	\$935	\$709	100%
Building & Housing	Fee	Building - Misc	Private Pool & Spa together	\$526	\$1,564	\$1,038	100%
Building & Housing	Fee	Building - Misc	Existing Pools / Spas – Mechanical, Electrical, Plumbing - per trade	\$323	\$512	\$189	100%
Building & Housing	Fee	Building - Misc	6. Re-Roofing				
Building & Housing	Fee	Building - Misc	Single-Family and Two-Family	\$401	\$603	\$202	100%
Building & Housing	Fee	Building - Misc	Multi-Family, Residential, each building	\$564	\$969	\$405	100%
Building & Housing	Fee	Building - Misc	Commercial/Industrial, each building	\$727	\$1,226	\$499	100%
Building & Housing	Fee	Building - Misc	7. Miscellaneous Fees				
Building & Housing	Fee	Building - Misc	Change of Address, per request	\$381	\$600	\$219	100%
Building & Housing	Fee	Building - Misc	Extension of Plan Check	\$37	\$88	\$51	100%
Building & Housing	Fee	Building - Misc	Extension of Building Permit	\$37	\$88	\$51	100%
Building & Housing	Fee	Building - Misc	Records Research	\$30	\$88	\$58	100%
Building & Housing	Fee	Building - Misc	Records Research with Documentation, per Address	\$59	\$132	\$73	100%
Building & Housing	Fee	Building - Misc	Report of Monthly Building Permit Activity (no charge to public agencies)	\$51	\$88	\$37	100%
Building & Housing	Fee	Building - Misc	Reprinting Building Permit Cards	\$30	\$59	\$29	100%
Building & Housing	Fee	Building - Misc	Alternative Materials or Methods of Construction Request	\$400	\$653	\$253	100%
Building & Housing	Fee	Building - Misc	8. Other Plan Check and Inspection Permit Fees				
Building & Housing	Fee	Building - Misc	Reinspection Fee – per reinspection	\$114	\$309	\$195	100%
Building & Housing	Fee	Building - Misc	Demolition Permit	\$150	\$506	\$356	100%
Building & Housing	Fee	Building - Misc	Revision / Deferred Submittal Plan Check – per hour	\$173	\$218	\$45	100%
Building & Housing	Fee	Building - Misc	9. Hourly Rates				
Building & Housing	Fee	Building - Misc	Hourly Rates:				
Building & Housing	Fee	Building - Misc	Plan Check	\$173	\$218	\$45	100%
Building & Housing	Fee	Building - Misc	Inspection	\$150	\$206	\$56	100%
Building & Housing	Fee	Building - Misc	Afterhours (Overtime) Hourly Rates:				
Building & Housing	Fee	Building - Misc	Plan Check	\$260	\$260	\$0	100%
Building & Housing	Fee	Building - Misc	Inspection	\$225	\$245	\$20	100%
Building & Housing	Fee	Building - Misc	10. ELECTRICAL				
Building & Housing	Fee	Building - Misc	Electrical Permit Issuance	\$115	\$176	\$61	100%
Building & Housing	Fee	Building - Misc	Plan Check Fee - (min. 1 hr) - per hour	\$173	\$218	\$45	100%
Building & Housing	Fee	Building - Misc	Receptacle Outlets, multiple on one circuit - first 20	\$73	\$103	\$30	100%
Building & Housing	Fee	Building - Misc	Receptacle Outlets, multiple on one circuit - each additional 20	\$57	\$86	\$29	100%
Building & Housing	Fee	Building - Misc	Receptacle, fed from dedicated circuit - each	\$33	\$51	\$18	100%
Building & Housing	Fee	Building - Misc	Switches, Dimmers, Occupancy sensors, Sensor Power Packs, etc. - first 20	\$73	\$103	\$30	100%
Building & Housing	Fee	Building - Misc	Switches, Dimmers, Occupancy sensors, Sensor Power Packs, etc. - each addi	\$57	\$86	\$29	100%
Building & Housing	Fee	Building - Misc	Lighting Fixtures, Sockets - first 20	\$73	\$103	\$30	100%
Building & Housing	Fee	Building - Misc	Lighting Fixtures, Sockets - each additional 20	\$57	\$86	\$29	100%
Building & Housing	Fee	Building - Misc	Track lighting with fixtures - per linear feet	\$1	\$1	\$0	100%
Building & Housing	Fee	Building - Misc	Pole/Platform-Mounted/Theatrical Fixtures - each	\$33	\$51	\$18	100%
Building & Housing	Fee	Building - Misc	Circuit Breaker Panel/Subpanel, Lighting Control Panel – each	\$57	\$86	\$29	100%
Building & Housing	Fee	Building - Misc	Residential Equipment or Appliance, fed from dedicated circuit – each	\$33	\$51	\$18	100%

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Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	\$ Change	Municipal Code Cost Recovery Goals
Building & Housing	Fee	Building - Misc	Commercial Equipment or Appliance, fed from dedicated circuit – each	\$57	\$86	\$29	100%
Building & Housing	Fee	Building - Misc	Power pole for cubicles – each	\$33	\$51	\$18	100%
Building & Housing	Fee	Building - Misc	Generator, portable – each	\$73	\$103	\$30	100%
Building & Housing	Fee	Building - Misc	Generator, 10 kW or less – each	\$120	\$103	-\$17	100%
Building & Housing	Fee	Building - Misc	Generator, more than 10 kW – each	\$176	\$154	-\$22	100%
Building & Housing	Fee	Building - Misc	Electrical vehicle charging station, residential – each	\$33	\$51	\$18	100%
Building & Housing	Fee	Building - Misc	Electrical vehicle charging station, commercial – each	\$57	\$86	\$29	100%
Building & Housing	Fee	Building - Misc	HEPA filter - first 20	\$73	\$103	\$30	100%
Building & Housing	Fee	Building - Misc	HEPA filter - each additional 20	\$57	\$86	\$29	100%
Building & Housing	Fee	Building - Misc	Time Clock – each	\$33	\$51	\$18	100%
Building & Housing	Fee	Building - Misc	Junction box, fed from dedicated circuit – each	\$33	\$51	\$18	100%
Building & Housing	Fee	Building - Misc	Sign, lighting systems from one branch circuit - first one	\$120	\$206	\$86	100%
Building & Housing	Fee	Building - Misc	Sign, lighting systems from one branch circuit - each additional	\$73	\$103	\$30	100%
Building & Housing	Fee	Building - Misc	Services - not over 200 amps (new or change) – each	\$73	\$103	\$30	100%
Building & Housing	Fee	Building - Misc	Services - 201 amps - 1000 amps (new or change) - each	\$120	\$206	\$86	100%
Building & Housing	Fee	Building - Misc	Services - over 1000 amperes (new or change) - each	\$175	\$257	\$82	100%
Building & Housing	Fee	Building - Misc	Power Apparatus (UPS) or Transformer - each	\$57	\$86	\$29	100%
Building & Housing	Fee	Building - Misc	Miscellaneous Apparatus, Conduits & Conductors - each	\$57	\$86	\$29	100%
Building & Housing	Fee	Building - Misc	Construction Temporary Power Pole with service panel, each pole	\$57	\$103	\$46	100%
Building & Housing	Fee	Building - Misc	Elevator - each	\$120	\$206	\$86	100%
Building & Housing	Fee	Building - Misc	Special Circuitry, per circuit	\$57	\$86	\$29	100%
Building & Housing	Fee	Building - Misc	MECHANICAL				
Building & Housing	Fee	Building - Misc	Mechanical Permit Issuance	\$115	\$176	\$61	100%
Building & Housing	Fee	Building - Misc	Plan Check Fee (min.1 hr) - per hour	\$173	\$218	\$45	100%
Building & Housing	Fee	Building - Misc	Install Furnace or Heater, Residential (not including duct work)	\$88	\$137	\$49	100%
Building & Housing	Fee	Building - Misc	Install, Relocate, Replace Flue Vent (not including with appliance)	\$57	\$103	\$46	100%
Building & Housing	Fee	Building - Misc	Install Hood with Mechanical Exhaust - Residential	\$33	\$86	\$53	100%
Building & Housing	Fee	Building - Misc	Install Hood with Mechanical Exhaust - Commercial	\$88	\$206	\$118	100%
Building & Housing	Fee	Building - Misc	Duct Work per unit or System	\$57	\$86	\$29	100%
Building & Housing	Fee	Building - Misc	Install Industrial-type Incinerator	\$88	\$154	\$66	100%
Building & Housing	Fee	Building - Misc	Install/Replace Boiler - Each	\$57	\$103	\$46	100%
Building & Housing	Fee	Building - Misc	Install/Replace Condenser, VAV or Fan Coil 0-5 ton <2000 CFM - Each	\$57	\$103	\$46	100%
Building & Housing	Fee	Building - Misc	Install/Replace Condenser, VAV or Fan Coil Over 5 ton >2000 CFM - Each	\$120	\$206	\$86	100%
Building & Housing	Fee	Building - Misc	Roof-top HVAC package unit including duct work	\$120	\$206	\$86	100%
Building & Housing	Fee	Building - Misc	Dryer vent, residential - each	\$33	\$86	\$53	100%
Building & Housing	Fee	Building - Misc	Dryer vent, commercial - each	\$57	\$206	\$149	100%
Building & Housing	Fee	Building - Misc	Pump - each	\$73	\$154	\$81	100%
Building & Housing	Fee	Building - Misc	Install/Replace Fire or Fire/Smoke Dampers - 5 (or portion of)	\$57	\$103	\$46	100%
Building & Housing	Fee	Building - Misc	Non-portable Evaporative Cooler	\$57	\$154	\$97	100%
Building & Housing	Fee	Building - Misc	Single Bathroom Ventilation Fan and Duct	\$33	\$86	\$53	100%
Building & Housing	Fee	Building - Misc	Ventilation System, not HVAC	\$33	\$103	\$70	100%

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Building & Housing	Fee	Building - Misc	Other Regulated Appliance	\$57	\$154	\$97	100%
Building & Housing	Fee	Building - Misc	Process Piping:				
Building & Housing	Fee	Building - Misc	Hazardous process piping system - first 4 outlets	\$73	\$154	\$81	100%
Building & Housing	Fee	Building - Misc	Hazardous process piping system (over 4 outlets) - per outlet	\$73	\$86	\$13	100%
Building & Housing	Fee	Building - Misc	Non-hazardous process piping system - first 4 outlets	\$73	\$154	\$81	100%
Building & Housing	Fee	Building - Misc	Non-hazardous process piping system (over 4 outlets) - per outlet	\$73	\$86	\$13	100%
Building & Housing	Fee	Building - Misc	PLUMBING				
Building & Housing	Fee	Building - Misc	Plumbing Permit Issuance	\$115	\$176	\$61	100%
Building & Housing	Fee	Building - Misc	Plan Check Fee (min. 1 hr) - per hour	\$173	\$218	\$45	100%
Building & Housing	Fee	Building - Misc	Plumbing Fixtures - First 5 traps (or portion of)	\$73	\$154	\$81	100%
Building & Housing	Fee	Building - Misc	Plumbing Fixtures - Each Additional trap	\$33	\$86	\$53	100%
Building & Housing	Fee	Building - Misc	Building Drain or Sewer (New or Replacement)	\$73	\$154	\$81	100%
Building & Housing	Fee	Building - Misc	Rain Water Drainage System	\$73	\$103	\$30	100%
Building & Housing	Fee	Building - Misc	Water Heater and Vent	\$88	\$154	\$66	100%
Building & Housing	Fee	Building - Misc	Gas Piping System - (each appliance)	\$73	\$103	\$30	100%
Building & Housing	Fee	Building - Misc	Automatic Gas Shut-off Device (Seismic or Excess Flow) if not part of new gas	\$73	\$103	\$30	100%
Building & Housing	Fee	Building - Misc	Industrial Waste Pre-Treatment System	\$120	\$206	\$86	100%
Building & Housing	Fee	Building - Misc	Grease Trap	\$73	\$154	\$81	100%
Building & Housing	Fee	Building - Misc	Grease Interceptor	\$88	\$206	\$118	100%
Building & Housing	Fee	Building - Misc	Water System Installation, new	\$73	\$309	\$236	100%
Building & Housing	Fee	Building - Misc	Water System Installation, re-pipe	\$120	\$206	\$86	100%
Building & Housing	Fee	Building - Misc	Pump - each	\$73	\$154	\$81	100%
Building & Housing	Fee	Building - Misc	Repair/Alteration of Drain/Vent	\$73	\$154	\$81	100%
Building & Housing	Fee	Building - Misc	Landscape Sprinkler System	\$73	\$154	\$81	100%
Building & Housing	Fee	Building - Misc	Landscape Reclaim Water - per valve	\$175	\$257	\$82	100%
Building & Housing	Fee	Building - Misc	Backflow Protection - first 5	\$57	\$154	\$97	100%
Building & Housing	Fee	Building - Misc	Backflow Protection - each additional 5 (or portion of)	\$33	\$86	\$53	100%
Building & Housing	Fee	Building - Misc	Reclaim Water System, No Irrigation	\$175	\$309	\$134	100%
Building & Housing	Fee	Building - Misc	Private Sewage Disposal System	\$57	\$103	\$46	100%
Building & Housing	Surcharges	Building - Misc	Community Planning Fee - % of Building Permit	5.00%	5.00%		100%
Building & Housing	Surcharges	Building - Misc	Technology Fee - % of Building Permit	2.50%	2.60%	\$0	100%
Building & Housing	Fee	Building - Misc	STATE FEES:				
Building & Housing	Fee	Building - Misc	Strong Motion Instrumentation and Seismic Hazard Mapping Fees:				
Building & Housing	Fee	Building - Misc	Category 1 - Residential - Min Fee = \$0.50	Valuation x 0.0	Valuation x 0.00013		100%
Building & Housing	Fee	Building - Misc	Category 2 - All Other Buildings - Min Fee = \$0.50	Valuation x 0.0	Valuation x 0.00028		100%
Building & Housing	Fee	Building - Misc	Building Standards Administration Special Revolving Fund:				
Building & Housing	Fee	Building - Misc	Permit Valuation \$1-\$25,000	\$1	\$1		100%
Building & Housing	Fee	Building - Misc	Permit Valuation \$25,001 - \$50,000	\$2	\$2		100%
Building & Housing	Fee	Building - Misc	Permit Valuation \$50,001 - \$75,000	\$3	\$3		100%
Building & Housing	Fee	Building - Misc	Permit Valuation \$75,001 - \$100,000	\$4	\$4		100%
Building & Housing	Fee	Building - Misc	Every \$25,000 or fraction thereof above \$100,000	\$1	\$1		100%

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Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	\$ Change	Municipal Code Cost Recovery Goals
Building & Housing	Fee	Building - Construction	Single-Family, Two-Family, Additional Dwelling Units / Remodels				
Building & Housing	Fee	Building - Construction	Plan Check:				
Building & Housing	Fee	Building - Construction	100 sq. ft.		\$251.38		100%
Building & Housing	Fee	Building - Construction	200 sq. ft.		\$360.17		100%
Building & Housing	Fee	Building - Construction	300 sq. ft.		\$523.35		100%
Building & Housing	Fee	Building - Construction	400 sq. ft.		\$958.50		100%
Building & Housing	Fee	Building - Construction	500 sq. ft.		\$1,176.08		100%
Building & Housing	Fee	Building - Construction	500-1,000 sq. ft. - per 100 sq. ft.		\$148.19		100%
Building & Housing	Fee	Building - Construction	1,000 sq. ft.		\$1,917.00		100%
Building & Housing	Fee	Building - Construction	1,000-1,500 sq. ft. - per 100 sq.ft.		\$174.06		100%
Building & Housing	Fee	Building - Construction	1,500 sq. ft.		\$2,787.31		100%
Building & Housing	Fee	Building - Construction	1,500-2,000 sq. ft. - per 100 sq. ft.		\$174.06		100%
Building & Housing	Fee	Building - Construction	2,000 sq. ft.		\$3,657.61		100%
Building & Housing	Fee	Building - Construction	2,000-2,500 sq. ft. - per 100 sq. ft.		\$148.19		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft.		\$4,398.53		100%
Building & Housing	Fee	Building - Construction	2,500-3,000 sq. ft. - per 100 sq. ft.		\$130.55		100%
Building & Housing	Fee	Building - Construction	3,000 sq. ft.		\$5,051.26		100%
Building & Housing	Fee	Building - Construction	3,000-4,000 - per 100 sq. ft.		\$74.09		100%
Building & Housing	Fee	Building - Construction	4,000 sq. ft.		\$5,792.19		100%
Building & Housing	Fee	Building - Construction	4,000-5,000 sq. ft. - per 100 sq. ft.		\$87.03		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$6,662.49		100%
Building & Housing	Fee	Building - Construction	Above 5,000 sq. ft. - per 100 sq. ft.		\$43.52		100%
Building & Housing	Fee	Building - Construction	Inspection:				
Building & Housing	Fee	Building - Construction	100 sq. ft.		\$411.57		100%
Building & Housing	Fee	Building - Construction	200 sq. ft.		\$617.35		100%
Building & Housing	Fee	Building - Construction	300 sq. ft.		\$823.14		100%
Building & Housing	Fee	Building - Construction	400 sq. ft.		\$1,131.82		100%
Building & Housing	Fee	Building - Construction	500 sq. ft.		\$1,646.28		100%
Building & Housing	Fee	Building - Construction	500-1,000 sq. ft. - per 100 sq. ft.		\$164.63		100%
Building & Housing	Fee	Building - Construction	1,000 sq. ft.		\$2,469.42		100%
Building & Housing	Fee	Building - Construction	1,000-1,500 sq. ft. - per 100 sq.ft.		\$164.63		100%
Building & Housing	Fee	Building - Construction	1,500 sq. ft.		\$3,292.56		100%
Building & Housing	Fee	Building - Construction	1,500-2,000 sq. ft. - per 100 sq. ft.		\$246.94		100%
Building & Housing	Fee	Building - Construction	2,000 sq. ft.		\$4,527.27		100%
Building & Housing	Fee	Building - Construction	2,000-2,500 sq. ft. - per 100 sq. ft.		\$329.26		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft.		\$6,173.55		100%
Building & Housing	Fee	Building - Construction	2,500-3,000 sq. ft. - per 100 sq. ft.		\$329.26		100%
Building & Housing	Fee	Building - Construction	3,000 sq. ft.		\$7,819.82		100%
Building & Housing	Fee	Building - Construction	3,000-4,000 - per 100 sq. ft.		\$144.05		100%
Building & Housing	Fee	Building - Construction	4,000 sq. ft.		\$9,260.32		100%
Building & Housing	Fee	Building - Construction	4,000-5,000 sq. ft. - per 100 sq. ft.		\$205.78		100%

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Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	\$ Change	Municipal Code Cost Recovery Goals
Building & Housing	Fee	Building - Construction	5,000 sq. ft		\$11,318.17		100%
Building & Housing	Fee	Building - Construction	Above 5,000 sq. ft. - per 100 sq. ft.		\$102.89		100%
Building & Housing	Fee	Building - Construction	Commercial / Non-Residential - New Construction, Tenant Improvement, and Shell				
Building & Housing	Fee	Building - Construction	Plan Check:				
Building & Housing	Fee	Building - Construction	A-Assembly - New Construction:				
Building & Housing	Fee	Building - Construction	0-1,500 sq. ft.		\$4,054.26		100%
Building & Housing	Fee	Building - Construction	1,500 sq. ft. - 7,500 sq. ft. - per 100 sq. ft.		\$59.12		100%
Building & Housing	Fee	Building - Construction	7,500 sq. ft.		\$7,601.74		100%
Building & Housing	Fee	Building - Construction	7,500 sq. ft. - 15,000 sq. ft. - per 100 sq. ft.		\$84.46		100%
Building & Housing	Fee	Building - Construction	15,000 sq. ft.		\$13,936.53		100%
Building & Housing	Fee	Building - Construction	15,000 sq. ft. - 30,000 sq. ft. - per 100 sq. ft.		\$76.02		100%
Building & Housing	Fee	Building - Construction	30,000 sq. ft.		\$25,339.14		100%
Building & Housing	Fee	Building - Construction	30,000 sq. ft. - 75,000 sq. ft. - per 100 sq. ft.		\$14.08		100%
Building & Housing	Fee	Building - Construction	75,000 sq. ft.		\$31,673.93		100%
Building & Housing	Fee	Building - Construction	75,000 sq. ft. - 150,000 sq. ft. - per 100 sq. ft.		\$18.58		100%
Building & Housing	Fee	Building - Construction	150,000 sq. ft.		\$45,610.45		100%
Building & Housing	Fee	Building - Construction	150,000+ sq. ft. - per 100 sq. ft.		\$30.41		100%
Building & Housing	Fee	Building - Construction	A-Assembly - Tenant Improvement:				
Building & Housing	Fee	Building - Construction	0-500 sq. ft.		\$1,520.77		100%
Building & Housing	Fee	Building - Construction	500 sq. ft. - 2,500 sq. ft. - per 100 sq. ft.		\$66.53		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft.		\$2,851.45		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft. - 5,000 sq. ft. - per 100 sq. ft.		\$95.05		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$5,227.66		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$85.54		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$9,504.84		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 25,000 sq. ft. - per 100 sq. ft.		\$21.31		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft.		\$12,701.09		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft. - 50,000 sq. ft. - per 100 sq. ft.		\$35.71		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft.		\$21,629.39		100%
Building & Housing	Fee	Building - Construction	50,000+ sq. ft. - per 100 sq. ft.		\$43.26		100%
Building & Housing	Fee	Building - Construction	B - Business - New Construction:				
Building & Housing	Fee	Building - Construction	0 - 1,000 sq. ft.		\$3,834.01		100%
Building & Housing	Fee	Building - Construction	1,000 sq. ft. - 5,000 sq. ft. - per 100 sq. ft.		\$82.77		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$7,144.66		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$114.08		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$12,848.65		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 20,000 sq. ft. - per 100 sq. ft.		\$101.44		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft.		\$22,992.34		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft. - 50,000 sq. ft. - per 100 sq. ft.		\$18.72		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft.		\$28,608.13		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft. - 100,000 sq. ft. - per 100 sq. ft.		\$29.43		100%

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Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	\$ Change	Municipal Code Cost Recovery Goals
Building & Housing	Fee	Building - Construction	100,000 sq. ft.		\$43,320.91		100%
Building & Housing	Fee	Building - Construction	100,000+ sq. ft. - per 100 sq. ft.		\$43.32		100%
Building & Housing	Fee	Building - Construction	B - Business - Tenant Improvement:				
Building & Housing	Fee	Building - Construction	0-500 sq. ft.		\$1,469.46		100%
Building & Housing	Fee	Building - Construction	500 sq. ft. - 2,500 sq. ft. - per 100 sq. ft.		\$64.29		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft.		\$2,755.23		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft. - 5,000 sq. ft. - per 100 sq. ft.		\$91.84		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$5,051.26		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$82.66		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$9,184.11		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 25,000 sq. ft. - per 100 sq. ft.		\$15.31		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft.		\$11,480.14		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft. - 50,000 sq. ft. - per 100 sq. ft.		\$20.21		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft.		\$16,531.40		100%
Building & Housing	Fee	Building - Construction	50,000+ sq. ft. - per 100 sq. ft.		\$33.06		100%
Building & Housing	Fee	Building - Construction	E - Education - New Construction:				
Building & Housing	Fee	Building - Construction	0-500 sq. ft.		\$1,724.34		100%
Building & Housing	Fee	Building - Construction	500 sq. ft. - 2,500 sq. ft. - per 100 sq. ft.		\$75.40		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft.		\$3,233.13		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft. - 5,000 sq. ft. - per 100 sq. ft.		\$107.77		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$5,927.41		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$96.99		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$10,777.11		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 25,000 sq. ft. - per 100 sq. ft.		\$17.96		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft.		\$13,471.39		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft. - 50,000 sq. ft. - per 100 sq. ft.		\$23.71		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft.		\$19,398.80		100%
Building & Housing	Fee	Building - Construction	50,000+ sq. ft. - per 100 sq. ft.		\$38.80		100%
Building & Housing	Fee	Building - Construction	E - Education - Tenant Improvement:				
Building & Housing	Fee	Building - Construction	0-100 sq. ft.		\$1,823.57		100%
Building & Housing	Fee	Building - Construction	100 sq. ft. - 500 sq. ft. - per 100 sq. ft.		\$398.91		100%
Building & Housing	Fee	Building - Construction	500 sq. ft.		\$3,419.19		100%
Building & Housing	Fee	Building - Construction	500 sq. ft. - 1,000 sq. ft. - per 100 sq. ft.		\$569.86		100%
Building & Housing	Fee	Building - Construction	1,000 sq. ft.		\$6,268.51		100%
Building & Housing	Fee	Building - Construction	1,000 sq. ft. - 2,000 sq. ft. - per 100 sq. ft.		\$512.88		100%
Building & Housing	Fee	Building - Construction	2,000 sq. ft.		\$11,397.29		100%
Building & Housing	Fee	Building - Construction	2,000 sq. ft. - 5,000 sq. ft. - per 100 sq. ft.		\$94.98		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$14,246.62		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$125.37		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$20,515.13		100%
Building & Housing	Fee	Building - Construction	10,000+ sq. ft. - per 100 sq. ft.		\$205.15		100%

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Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	\$ Change	Municipal Code Cost Recovery Goals
Building & Housing	Fee	Building - Construction	F - Factory - New Construction:				
Building & Housing	Fee	Building - Construction	0-5,000 sq. ft.		\$5,574.61		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 25,000 sq. ft. -per 100 sq. ft.		\$19.17		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft.		\$9,408.62		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft. - 50,000 sq. ft. - per 100 sq. ft.		\$43.19		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft.		\$20,205.04		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft. - 100,000 sq. ft. - per 100 sq. ft.		\$13.92		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft.		\$27,167.45		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft. - 250,000 sq. ft. - per 100 sq. ft.		\$8.04		100%
Building & Housing	Fee	Building - Construction	250,000 sq. ft.		\$39,222.30		100%
Building & Housing	Fee	Building - Construction	250,000 sq. ft. - 500,000 sq. ft. - per 100 sq. ft.		\$4.46		100%
Building & Housing	Fee	Building - Construction	500,000 sq. ft.		\$50,365.67		100%
Building & Housing	Fee	Building - Construction	500,000+ sq. ft. - per 100 sq. ft.		\$10.07		100%
Building & Housing	Fee	Building - Construction	F - Factory - Tenant Improvement:				
Building & Housing	Fee	Building - Construction	0-2,000 sq. ft.		\$2,147.42		100%
Building & Housing	Fee	Building - Construction	2,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$18.19		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$3,602.55		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 20,000 sq. ft. - per 100 sq. ft.		\$43.65		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft.		\$7,967.94		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft. - 40,000 sq. ft. - per 100 sq. ft.		\$14.46		100%
Building & Housing	Fee	Building - Construction	40,000 sq. ft.		\$10,860.56		100%
Building & Housing	Fee	Building - Construction	40,000 sq. ft. - 100,000 sq. ft. - per 100 sq. ft.		\$8.09		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft.		\$15,717.04		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft. - 200,000 sq. ft. - per 100 sq. ft.		\$4.64		100%
Building & Housing	Fee	Building - Construction	200,000 sq. ft.		\$20,352.53		100%
Building & Housing	Fee	Building - Construction	200,000+ sq. ft. - per 100 sq. ft.		\$10.18		100%
Building & Housing	Fee	Building - Construction	H - Hazardous Materials - New Construction:				
Building & Housing	Fee	Building - Construction	0-1,000 sq. ft.		\$4,382.71		100%
Building & Housing	Fee	Building - Construction	1,000 sq. ft. - 5,000 sq. ft. - per 100 sq. ft.		\$95.87		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$8,217.59		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$136.95		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$15,065.58		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 20,000 sq. ft. - per 100 sq. ft.		\$123.26		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft.		\$27,391.96		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft. - 50,000 sq. ft. - per 100 sq. ft.		\$22.83		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft.		\$34,239.95		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft. - 100,000 sq. ft. - per 100 sq. ft.		\$30.13		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft.		\$49,305.53		100%
Building & Housing	Fee	Building - Construction	100,000+ sq. ft. - per 100 sq. ft.		\$49.31		100%
Building & Housing	Fee	Building - Construction	H - Hazardous Materials - Tenant Improvement:				
Building & Housing	Fee	Building - Construction	0-1,000 sq. ft.		\$2,191.36		100%

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Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	\$ Change	Municipal Code Cost Recovery Goals
Building & Housing	Fee	Building - Construction	1,000 sq. ft. - 5,000 sq. ft. - per 100 sq. ft.		\$47.94		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$4,108.79		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$68.48		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$7,532.79		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 20,000 sq. ft. - per 100 sq. ft.		\$61.63		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft.		\$13,695.98		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft. - 50,000 sq. ft. - per 100 sq. ft.		\$11.41		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft.		\$17,119.98		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft. - 100,000 sq. ft. - per 100 sq. ft.		\$15.07		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft.		\$24,652.77		100%
Building & Housing	Fee	Building - Construction	100,000+ sq. ft. - per 100 sq. ft.		\$24.65		100%
Building & Housing	Fee	Building - Construction	I - Licensed Clinics - New Construction:				
Building & Housing	Fee	Building - Construction	0-2,000 sq. ft.		\$2,634.42		100%
Building & Housing	Fee	Building - Construction	2,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$28.81		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$4,939.54		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 20,000 sq. ft. - per 100 sq. ft.		\$41.16		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft.		\$9,055.82		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft. - 40,000 sq. ft. - per 100 sq. ft.		\$37.05		100%
Building & Housing	Fee	Building - Construction	40,000 sq. ft.		\$16,465.12		100%
Building & Housing	Fee	Building - Construction	40,000 sq. ft. - 100,000 sq. ft. - per 100 sq. ft.		\$6.86		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft.		\$20,581.40		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft. - 200,000 sq. ft. - per 100 sq. ft.		\$9.06		100%
Building & Housing	Fee	Building - Construction	200,000 sq. ft.		\$29,637.22		100%
Building & Housing	Fee	Building - Construction	200,000+ sq. ft. - per 100 sq. ft.		\$14.82		100%
Building & Housing	Fee	Building - Construction	I - Licensed Cliics - Tenant Improvement:				
Building & Housing	Fee	Building - Construction	0-1,000 sq. ft.		\$1,064.03		100%
Building & Housing	Fee	Building - Construction	1,000 sq. ft. - 5,000 sq. ft. - per 100 sq. ft.		\$23.28		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$1,995.06		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$33.25		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$3,657.61		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 20,000 sq. ft. - per 100 sq. ft.		\$29.93		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft.		\$6,650.19		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft. - 50,000 sq. ft. - per 100 sq. ft.		\$5.54		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft.		\$8,312.74		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft. - 100,000 sq. ft. - per 100 sq. ft.		\$7.32		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft.		\$11,970.35		100%
Building & Housing	Fee	Building - Construction	100,000+ sq. ft. - per 100 sq. ft.		\$11.97		100%
Building & Housing	Fee	Building - Construction	M - Mercantile - New Construction:				
Building & Housing	Fee	Building - Construction	0-500 sq. ft.		\$2,179.38		100%
Building & Housing	Fee	Building - Construction	500 sq. ft. - 2,500 sq. ft. - per 100 sq. ft.		\$95.35		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft.		\$4,086.34		100%

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**Plus DOJ and FBI fees. Currently charging for DOJ fees in Live Scan only.

¹No fee for Priority II²No fee for Priority III

Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	\$ Change	Municipal Code Cost Recovery Goals
Building & Housing	Fee	Building - Construction	2,500 sq. ft. - 5,000 sq. ft. - per 100 sq. ft.		\$136.21		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$7,491.61		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$122.59		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$13,621.12		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 25,000 sq. ft. - per 100 sq. ft.		\$22.70		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft.		\$17,026.40		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft. - 50,000 sq. ft. - per 100 sq. ft.		\$29.97		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft.		\$24,518.01		100%
Building & Housing	Fee	Building - Construction	50,000+ sq. ft. - per 100 sq. ft.		\$49.04		100%
Building & Housing	Fee	Building - Construction	M - Mercantile - Tenant Improvement:				
Building & Housing	Fee	Building - Construction	0-250 sq. ft.		\$1,000.74		100%
Building & Housing	Fee	Building - Construction	250 sq. ft. - 1,250 sq. ft. - per 100 sq. ft.		\$87.56		100%
Building & Housing	Fee	Building - Construction	1,250 sq. ft.		\$1,876.38		100%
Building & Housing	Fee	Building - Construction	1,250 sq. ft. - 2,500 sq. ft. - per 100 sq. ft.		\$125.09		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft.		\$3,440.03		100%
Building & Housing	Fee	Building - Construction	2,000 sq. ft. - 5,000 sq. ft. - per 100 sq. ft.		\$112.58		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$6,254.60		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 12,500 sq. ft. - per 100 sq. ft.		\$20.85		100%
Building & Housing	Fee	Building - Construction	12,500 sq. ft.		\$7,818.25		100%
Building & Housing	Fee	Building - Construction	12,500 sq. ft. - 25,000 sq. ft. - per 100 sq. ft.		\$27.52		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft.		\$11,258.29		100%
Building & Housing	Fee	Building - Construction	25,000+ sq. ft. - per 100 sq. ft.		\$45.03		100%
Building & Housing	Fee	Building - Construction	R-1 - Residential Hotels - New Construction:				
Building & Housing	Fee	Building - Construction	0-2,000 sq. ft.		\$9,750.78		100%
Building & Housing	Fee	Building - Construction	2,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$106.65		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$18,282.72		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 20,000 sq. ft. - per 100 sq. ft.		\$152.36		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft.		\$33,518.31		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft. - 40,000 sq. ft. - per 100 sq. ft.		\$137.12		100%
Building & Housing	Fee	Building - Construction	40,000 sq. ft.		\$60,942.39		100%
Building & Housing	Fee	Building - Construction	40,000 sq. ft. - 100,000 sq. ft. - per 100 sq. ft.		\$25.39		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft.		\$76,177.98		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft. - 200,000 sq. ft. - per 100 sq. ft.		\$33.52		100%
Building & Housing	Fee	Building - Construction	200,000 sq. ft.		\$109,696.30		100%
Building & Housing	Fee	Building - Construction	200,000+ sq. ft. - per 100 sq. ft.		\$54.85		100%
Building & Housing	Fee	Building - Construction	R-1 - Residential Hotels - Tenant Improvement:				
Building & Housing	Fee	Building - Construction	0-500 sq. ft.		\$2,317.95		100%
Building & Housing	Fee	Building - Construction	500 sq. ft. - 2,500 sq. ft. - per 100 sq. ft.		\$101.41		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft.		\$4,346.15		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft. - 5,000 sq. ft. - per 100 sq. ft.		\$144.87		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$7,967.94		100%

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¹No fee for Priority II²No fee for Priority III

Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	\$ Change	Municipal Code Cost Recovery Goals
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$130.38		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$14,487.16		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 25,000 sq. ft. - per 100 sq. ft.		\$24.15		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft.		\$18,108.96		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft. - 50,000 sq. ft. - per 100 sq. ft.		\$31.87		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft.		\$26,076.90		100%
Building & Housing	Fee	Building - Construction	50,000+ sq. ft. – per 100 sq. ft.		\$52.15		100%
Building & Housing	Fee	Building - Construction	R-2 - Residential Multi-Family - New Construction:				
Building & Housing	Fee	Building - Construction	0-2,000 sq. ft.		\$20,395.79		100%
Building & Housing	Fee	Building - Construction	2,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$10.67		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$21,249.65		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 20,000 sq. ft. - per 100 sq. ft.		\$177.08		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft.		\$38,957.70		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft. - 40,000 sq. ft. - per 100 sq. ft.		\$159.37		100%
Building & Housing	Fee	Building - Construction	40,000 sq. ft.		\$70,832.18		100%
Building & Housing	Fee	Building - Construction	40,000 sq. ft. - 100,000 sq. ft. - per 100 sq. ft.		\$29.51		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft.		\$88,540.22		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft. - 200,000 sq. ft. - per 100 sq. ft.		\$38.96		100%
Building & Housing	Fee	Building - Construction	200,000 sq. ft.		\$127,497.92		100%
Building & Housing	Fee	Building - Construction	200,000+ sq. ft. - per 100 sq. ft.		\$63.75		100%
Building & Housing	Fee	Building - Construction	R-2 - Residential Multi-Family - Tenant Improvement:				
Building & Housing	Fee	Building - Construction	0-500 sq. ft.		\$2,950.89		100%
Building & Housing	Fee	Building - Construction	500 sq. ft. - 2,500 sq. ft. - per 100 sq. ft.		\$129.10		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft.		\$5,532.92		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft. - 5,000 sq. ft. - per 100 sq. ft.		\$184.43		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$10,143.69		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$165.99		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$18,443.08		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 25,000 sq. ft. - per 100 sq. ft.		\$30.74		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft.		\$23,053.85		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft. - 50,000 sq. ft. - per 100 sq. ft.		\$40.57		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft.		\$33,197.54		100%
Building & Housing	Fee	Building - Construction	50,000+ sq. ft. – per 100 sq. ft.		\$66.40		100%
Building & Housing	Fee	Building - Construction	R-4 - Care / Assisted Living - New Construction:				
Building & Housing	Fee	Building - Construction	0-2,000 sq. ft.		\$5,953.10		100%
Building & Housing	Fee	Building - Construction	2,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$65.11		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$11,162.07		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 20,000 sq. ft. - per 100 sq. ft.		\$93.02		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft.		\$20,463.79		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft. - 40,000 sq. ft. - per 100 sq. ft.		\$83.72		100%
Building & Housing	Fee	Building - Construction	40,000 sq. ft.		\$37,206.89		100%

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Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	\$ Change	Municipal Code Cost Recovery Goals
Building & Housing	Fee	Building - Construction	40,000 sq. ft. - 100,000 sq. ft. - per 100 sq. ft.		\$15.50		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft.		\$46,508.61		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft. - 200,000 sq. ft. - per 100 sq. ft.		\$20.46		100%
Building & Housing	Fee	Building - Construction	200,000 sq. ft.		\$66,972.40		100%
Building & Housing	Fee	Building - Construction	200,000+ sq. ft. - per 100 sq. ft.		\$33.49		100%
Building & Housing	Fee	Building - Construction	R-4 - Care / Assisted Living - Tenant Improvement:				
Building & Housing	Fee	Building - Construction	0-500 sq. ft.		\$2,899.58		100%
Building & Housing	Fee	Building - Construction	500 sq. ft. - 2,500 sq. ft. - per 100 sq. ft.		\$63.43		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft.		\$5,436.71		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft. - 5,000 sq. ft. - per 100 sq. ft.		\$90.61		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$9,967.29		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$81.55		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$18,122.35		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 25,000 sq. ft. - per 100 sq. ft.		\$15.10		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft.		\$22,652.94		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft. - 50,000 sq. ft. - per 100 sq. ft.		\$19.93		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft.		\$32,620.23		100%
Building & Housing	Fee	Building - Construction	50,000+ sq. ft. - per 100 sq. ft.		\$32.62		100%
Building & Housing	Fee	Building - Construction	S-1 - Storage Moderate Hazard - New Construction:				
Building & Housing	Fee	Building - Construction	0-1,000 sq. ft.		\$3,546.20		100%
Building & Housing	Fee	Building - Construction	1,000 sq. ft. - 5,000 sq. ft. - per 100 sq. ft.		\$77.57		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$6,649.13		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$110.82		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$12,190.07		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 20,000 sq. ft. - per 100 sq. ft.		\$99.74		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft.		\$22,163.77		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft. - 50,000 sq. ft. - per 100 sq. ft.		\$18.47		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft.		\$27,704.71		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft. - 100,000 sq. ft. - per 100 sq. ft.		\$24.38		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft.		\$39,894.78		100%
Building & Housing	Fee	Building - Construction	100,000+ sq. ft. - per 100 sq. ft.		\$39.89		100%
Building & Housing	Fee	Building - Construction	S-2 - Storage Low Hazard - New Construction:				
Building & Housing	Fee	Building - Construction	0-1,000 sq. ft.		\$1,950.16		100%
Building & Housing	Fee	Building - Construction	1,000 sq. ft. - 5,000 sq. ft. - per 100 sq. ft.		\$42.66		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$3,656.54		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$60.94		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$6,703.66		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 20,000 sq. ft. - per 100 sq. ft.		\$54.85		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft.		\$12,188.48		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft. - 50,000 sq. ft. - per 100 sq. ft.		\$10.16		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft.		\$15,235.60		100%

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Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	\$ Change	Municipal Code Cost Recovery Goals
Building & Housing	Fee	Building - Construction	50,000 sq. ft. - 100,000 sq. ft. - per 100 sq. ft.		\$13.41		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft.		\$21,939.26		100%
Building & Housing	Fee	Building - Construction	100,000+ sq. ft. - per 100 sq. ft.		\$21.94		100%
Building & Housing	Fee	Building - Construction	S - Storage - Tenant Improvement:				
Building & Housing	Fee	Building - Construction	0-500 sq. ft.		\$1,443.80		100%
Building & Housing	Fee	Building - Construction	500 sq. ft. - 2,500 sq. ft. - per 100 sq. ft.		\$63.17		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft.		\$2,707.12		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft. - 5,000 sq. ft. - per 100 sq. ft.		\$90.24		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$4,963.06		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$81.21		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$9,023.74		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 25,000 sq. ft. - per 100 sq. ft.		\$15.04		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft.		\$11,279.68		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft. - 50,000 sq. ft. - per 100 sq. ft.		\$19.85		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft.		\$16,242.74		100%
Building & Housing	Fee	Building - Construction	50,000+ sq. ft. - per 100 sq. ft.		\$32.49		100%
Building & Housing	Fee	Building - Construction	U - Utility - Misc - New Construction:				
Building & Housing	Fee	Building - Construction	0-150 sq. ft.		\$836.51		100%
Building & Housing	Fee	Building - Construction	150 sq. ft. - 750 sq. ft. - per 100 sq. ft.		\$121.99		100%
Building & Housing	Fee	Building - Construction	750 sq. ft.		\$1,568.46		100%
Building & Housing	Fee	Building - Construction	750 sq. ft. - 1,500 sq. ft. - per 100 sq. ft.		\$174.27		100%
Building & Housing	Fee	Building - Construction	1,500 sq. ft.		\$2,875.51		100%
Building & Housing	Fee	Building - Construction	1,500 sq. ft. - 3,000 sq. ft. - per 100 sq. ft.		\$156.85		100%
Building & Housing	Fee	Building - Construction	3,000 sq. ft.		\$5,228.19		100%
Building & Housing	Fee	Building - Construction	3,000 sq. ft. - 7,500 sq. ft. - per 100 sq. ft.		\$29.05		100%
Building & Housing	Fee	Building - Construction	7,500 sq. ft.		\$6,535.24		100%
Building & Housing	Fee	Building - Construction	7,500 sq. ft. - 15,000 sq. ft. - per 100 sq. ft.		\$38.34		100%
Building & Housing	Fee	Building - Construction	15,000 sq. ft.		\$9,410.75		100%
Building & Housing	Fee	Building - Construction	15,000+ sq. ft. - per 100 sq. ft.		\$62.74		100%
Building & Housing	Fee	Building - Construction	U - Utility - Misc - Tenant Improvement:				
Building & Housing	Fee	Building - Construction	0-100 sq. ft.		\$557.67		100%
Building & Housing	Fee	Building - Construction	100 sq. ft. - 500 sq. ft. - per 100 sq. ft.		\$121.99		100%
Building & Housing	Fee	Building - Construction	500 sq. ft.		\$1,045.64		100%
Building & Housing	Fee	Building - Construction	500 sq. ft. - 1,000 sq. ft. - per 100 sq. ft.		\$174.27		100%
Building & Housing	Fee	Building - Construction	1,000 sq. ft.		\$1,917.00		100%
Building & Housing	Fee	Building - Construction	1,000 sq. ft. - 2,000 sq. ft. - per 100 sq. ft.		\$156.85		100%
Building & Housing	Fee	Building - Construction	2,000 sq. ft.		\$3,485.46		100%
Building & Housing	Fee	Building - Construction	2,000 sq. ft. - 5,000 sq. ft. - per 100 sq. ft.		\$29.05		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$4,356.83		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$38.34		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$6,273.83		100%

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Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	\$ Change	Municipal Code Cost Recovery Goals
Building & Housing	Fee	Building - Construction	10,000+ sq. ft. - per 100 sq. ft.		\$62.74		100%
Building & Housing	Fee	Building - Construction	Shell Building:				
Building & Housing	Fee	Building - Construction	0-5,000 sq. ft.		\$5,268.84		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 25,000 sq. ft. -per 100 sq. ft.		\$23.05		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft.		\$9,879.07		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft. - 50,000 sq. ft. - per 100 sq. ft.		\$32.93		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft.		\$18,111.63		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft. - 100,000 sq. ft. - per 100 sq. ft.		\$29.64		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft.		\$32,930.24		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft. - 250,000 sq. ft. - per 100 sq. ft.		\$5.49		100%
Building & Housing	Fee	Building - Construction	250,000 sq. ft.		\$41,162.81		100%
Building & Housing	Fee	Building - Construction	250,000 sq. ft. - 500,000 sq. ft. - per 100 sq. ft.		\$7.24		100%
Building & Housing	Fee	Building - Construction	500,000 sq. ft.		\$59,274.44		100%
Building & Housing	Fee	Building - Construction	500,000+ sq. ft. - per 100 sq. ft.		\$11.85		100%
Building & Housing	Fee	Building - Construction	Permit (Inspection) Fees:				
Building & Housing	Fee	Building - Construction	A-Assembly - New Construction:				
Building & Housing	Fee	Building - Construction	0-1,500 sq. ft.		\$10,353.55		100%
Building & Housing	Fee	Building - Construction	1,500 sq. ft. - 7,500 sq. ft. - per 100 sq. ft.		\$133.41		100%
Building & Housing	Fee	Building - Construction	7,500 sq. ft.		\$14,790.79		100%
Building & Housing	Fee	Building - Construction	7,500 sq. ft. - 15,000 sq. ft. - per 100 sq. ft.		\$123.15		100%
Building & Housing	Fee	Building - Construction	15,000 sq. ft.		\$23,665.26		100%
Building & Housing	Fee	Building - Construction	15,000 sq. ft. - 30,000 sq. ft. - per 100 sq. ft.		\$82.10		100%
Building & Housing	Fee	Building - Construction	30,000 sq. ft.		\$42,597.47		100%
Building & Housing	Fee	Building - Construction	30,000 sq. ft. - 75,000 sq. ft. - per 100 sq. ft.		\$37.63		100%
Building & Housing	Fee	Building - Construction	75,000 sq. ft.		\$66,558.54		100%
Building & Housing	Fee	Building - Construction	75,000 sq. ft. - 150,000 sq. ft. - per 100 sq. ft.		\$39.00		100%
Building & Housing	Fee	Building - Construction	150,000 sq. ft.		\$82,828.40		100%
Building & Housing	Fee	Building - Construction	150,000+ sq. ft. - per 100 sq. ft.		\$55.42		100%
Building & Housing	Fee	Building - Construction	A-Assembly - Tenant Improvement:				
Building & Housing	Fee	Building - Construction	0-500 sq. ft.		\$2,880.99		100%
Building & Housing	Fee	Building - Construction	500 sq. ft. - 2,500 sq. ft. - per 100 sq. ft.		\$61.74		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft.		\$4,115.70		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft. - 5,000 sq. ft. - per 100 sq. ft.		\$98.78		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$6,585.12		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$105.36		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$11,853.21		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 25,000 sq. ft. - per 100 sq. ft.		\$44.45		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft.		\$18,520.64		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft. - 50,000 sq. ft. - per 100 sq. ft.		\$18.11		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft.		\$23,047.90		100%
Building & Housing	Fee	Building - Construction	50,000+ sq. ft. - per 100 sq. ft.		\$46.10		100%

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¹No fee for Priority II²No fee for Priority III

Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	\$ Change	Municipal Code Cost Recovery Goals
Building & Housing	Fee	Building - Construction	B - Business - New Construction:				
Building & Housing	Fee	Building - Construction	0 - 1,000 sq. ft.		\$7,202.47		100%
Building & Housing	Fee	Building - Construction	1,000 sq. ft. - 5,000 sq. ft. - per 100 sq. ft.		\$77.17		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$10,289.24		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$123.47		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$16,462.79		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 20,000 sq. ft. - per 100 sq. ft.		\$131.70		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft.		\$29,633.02		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft. - 50,000 sq. ft. - per 100 sq. ft.		\$55.56		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft.		\$46,301.59		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft. - 100,000 sq. ft. - per 100 sq. ft.		\$27.16		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft.		\$59,883.39		100%
Building & Housing	Fee	Building - Construction	100,000+ sq. ft. - per 100 sq. ft.		\$59.88		100%
Building & Housing	Fee	Building - Construction	B - Business - Tenant Improvement:				
Building & Housing	Fee	Building - Construction	0-500 sq. ft.		\$3,151.08		100%
Building & Housing	Fee	Building - Construction	500 sq. ft. - 2,500 sq. ft. - per 100 sq. ft.		\$67.52		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft.		\$4,501.54		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft. - 5,000 sq. ft. - per 100 sq. ft.		\$108.04		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$7,202.47		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$115.24		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$12,964.45		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 25,000 sq. ft. - per 100 sq. ft.		\$48.62		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft.		\$20,256.95		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft. - 50,000 sq. ft. - per 100 sq. ft.		\$19.81		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft.		\$25,208.64		100%
Building & Housing	Fee	Building - Construction	50,000+ sq. ft. - per 100 sq. ft.		\$50.42		100%
Building & Housing	Fee	Building - Construction	E - Education - New Construction:				
Building & Housing	Fee	Building - Construction	0-500 sq. ft.		\$3,961.36		100%
Building & Housing	Fee	Building - Construction	500 sq. ft. - 2,500 sq. ft. - per 100 sq. ft.		\$84.89		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft.		\$5,659.08		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft. - 5,000 sq. ft. - per 100 sq. ft.		\$135.82		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$9,054.53		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$144.87		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$16,298.16		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 25,000 sq. ft. - per 100 sq. ft.		\$61.12		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft.		\$25,465.88		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft. - 50,000 sq. ft. - per 100 sq. ft.		\$24.90		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft.		\$31,690.87		100%
Building & Housing	Fee	Building - Construction	50,000+ sq. ft. - per 100 sq. ft.		\$63.38		100%
Building & Housing	Fee	Building - Construction	E - Education - Tenant Improvement:				
Building & Housing	Fee	Building - Construction	0-100 sq. ft.		\$2,520.86		100%

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Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	\$ Change	Municipal Code Cost Recovery Goals
Building & Housing	Fee	Building - Construction	100 sq. ft. - 500 sq.ft. - per 100 sq. ft.		\$270.09		100%
Building & Housing	Fee	Building - Construction	500 sq. ft.		\$3,601.23		100%
Building & Housing	Fee	Building - Construction	500 sq. ft. - 1,000 sq. ft. - per 100 sq. ft.		\$432.15		100%
Building & Housing	Fee	Building - Construction	1,000 sq. ft.		\$5,761.98		100%
Building & Housing	Fee	Building - Construction	1,000 sq. ft. - 2,000 sq. ft. - per 100 sq. ft.		\$460.96		100%
Building & Housing	Fee	Building - Construction	2,000 sq. ft.		\$10,371.56		100%
Building & Housing	Fee	Building - Construction	2,000 sq. ft. - 5,000 sq. ft. - per 100 sq. ft.		\$194.47		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$16,205.56		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$79.23		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$20,166.92		100%
Building & Housing	Fee	Building - Construction	10,000+ sq. ft. - per 100 sq. ft.		\$201.67		100%
Building & Housing	Fee	Building - Construction	F - Factory - New Construction:				
Building & Housing	Fee	Building - Construction	0-5,000 sq. ft.		\$8,231.39		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 25,000 sq. ft. -per 100 sq. ft.		\$41.16		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft.		\$16,462.79		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft. - 50,000 sq. ft. - per 100 sq. ft.		\$98.79		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft.		\$41,156.97		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft. - 100,000 sq. ft. - per 100 sq. ft.		\$28.81		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft.		\$55,561.91		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft. - 250,000 sq. ft. - per 100 sq. ft.		\$7.55		100%
Building & Housing	Fee	Building - Construction	250,000 sq. ft.		\$66,880.08		100%
Building & Housing	Fee	Building - Construction	250,000 sq. ft. - 500,000 sq. ft. - per 100 sq. ft.		\$14.40		100%
Building & Housing	Fee	Building - Construction	500,000 sq. ft.		\$102,892.43		100%
Building & Housing	Fee	Building - Construction	500,000+ sq. ft. - per 100 sq. ft.		\$20.58		100%
Building & Housing	Fee	Building - Construction	F - Factory - Tenant Improvement:				
Building & Housing	Fee	Building - Construction	0-2,000 sq. ft.		\$2,244.93		100%
Building & Housing	Fee	Building - Construction	2,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$18.71		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$3,741.54		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 20,000 sq. ft. - per 100 sq. ft.		\$44.90		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft.		\$8,231.39		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft. - 40,000 sq. ft. - per 100 sq. ft.		\$14.97		100%
Building & Housing	Fee	Building - Construction	40,000 sq. ft.		\$11,224.63		100%
Building & Housing	Fee	Building - Construction	40,000 sq. ft. - 100,000 sq. ft. - per 100 sq. ft.		\$8.57		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft.		\$16,369.25		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft. - 200,000 sq. ft. - per 100 sq. ft.		\$4.68		100%
Building & Housing	Fee	Building - Construction	200,000 sq. ft.		\$21,046.18		100%
Building & Housing	Fee	Building - Construction	200,000+ sq. ft. - per 100 sq. ft.		\$10.52		100%
Building & Housing	Fee	Building - Construction	H - Hazardous Materials - New Construction:				
Building & Housing	Fee	Building - Construction	0-1,000 sq. ft.		\$8,102.78		100%
Building & Housing	Fee	Building - Construction	1,000 sq. ft. - 5,000 sq. ft. - per 100 sq. ft.		\$86.82		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$11,575.40		100%

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Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	\$ Change	Municipal Code Cost Recovery Goals
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$138.90		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$18,520.64		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 20,000 sq. ft. - per 100 sq. ft.		\$148.17		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft.		\$33,337.15		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft. - 50,000 sq. ft. - per 100 sq. ft.		\$62.51		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft.		\$52,089.29		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft. - 100,000 sq. ft. - per 100 sq. ft.		\$25.47		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft.		\$64,822.23		100%
Building & Housing	Fee	Building - Construction	100,000+ sq. ft. - per 100 sq. ft.		\$64.82		100%
Building & Housing	Fee	Building - Construction	H - Hazardous Materials - Tenant Improvement:				
Building & Housing	Fee	Building - Construction	0-1,000 sq. ft.		\$4,321.48		100%
Building & Housing	Fee	Building - Construction	1,000 sq. ft. - 5,000 sq. ft. - per 100 sq. ft.		\$46.30		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$6,173.55		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$74.08		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$9,877.67		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 20,000 sq. ft. - per 100 sq. ft.		\$79.02		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft.		\$17,779.81		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft. - 50,000 sq. ft. - per 100 sq. ft.		\$33.34		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft.		\$27,780.96		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft. - 100,000 sq. ft. - per 100 sq. ft.		\$13.58		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft.		\$34,571.86		100%
Building & Housing	Fee	Building - Construction	100,000+ sq. ft. - per 100 sq. ft.		\$34.57		100%
Building & Housing	Fee	Building - Construction	I - Licensed Clinics - New Construction:				
Building & Housing	Fee	Building - Construction	0-2,000 sq. ft.		\$5,401.85		100%
Building & Housing	Fee	Building - Construction	2,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$28.94		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$7,716.93		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 20,000 sq. ft. - per 100 sq. ft.		\$46.30		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft.		\$12,347.09		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft. - 40,000 sq. ft. - per 100 sq. ft.		\$49.39		100%
Building & Housing	Fee	Building - Construction	40,000 sq. ft.		\$22,224.76		100%
Building & Housing	Fee	Building - Construction	40,000 sq. ft. - 100,000 sq. ft. - per 100 sq. ft.		\$20.84		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft.		\$34,726.19		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft. - 200,000 sq. ft. - per 100 sq. ft.		\$8.49		100%
Building & Housing	Fee	Building - Construction	200,000 sq. ft.		\$43,214.82		100%
Building & Housing	Fee	Building - Construction	200,000+ sq. ft. - per 100 sq. ft.		\$21.61		100%
Building & Housing	Fee	Building - Construction	I - Licensed Cliics - Tenant Improvement:				
Building & Housing	Fee	Building - Construction	0-1,000 sq. ft.		\$2,250.77		100%
Building & Housing	Fee	Building - Construction	1,000 sq. ft. - 5,000 sq. ft. - per 100 sq. ft.		\$24.12		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$3,215.39		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$38.58		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$5,144.62		100%

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Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	\$ Change	Municipal Code Cost Recovery Goals
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 20,000 sq. ft. - per 100 sq. ft.		\$41.16		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft.		\$9,260.32		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft. - 50,000 sq. ft. - per 100 sq. ft.		\$17.36		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft.		\$14,469.25		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft. - 100,000 sq. ft. - per 100 sq. ft.		\$7.07		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft.		\$18,006.17		100%
Building & Housing	Fee	Building - Construction	100,000+ sq. ft. - per 100 sq. ft.		\$18.01		100%
Building & Housing	Fee	Building - Construction	M - Mercantile - New Construction:				
Building & Housing	Fee	Building - Construction	0-500 sq. ft.		\$4,501.54		100%
Building & Housing	Fee	Building - Construction	500 sq. ft. - 2,500 sq. ft. - per 100 sq. ft.		\$96.46		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft.		\$6,430.78		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft. - 5,000 sq. ft. - per 100 sq. ft.		\$154.34		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$10,289.24		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$164.63		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$18,520.64		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 25,000 sq. ft. - per 100 sq. ft.		\$69.45		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft.		\$28,938.50		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft. - 50,000 sq. ft. - per 100 sq. ft.		\$28.30		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft.		\$36,012.35		100%
Building & Housing	Fee	Building - Construction	50,000+ sq. ft. - per 100 sq. ft.		\$72.02		100%
Building & Housing	Fee	Building - Construction	M - Mercantile - Tenant Improvement:				
Building & Housing	Fee	Building - Construction	0-250 sq. ft.		\$1,800.62		100%
Building & Housing	Fee	Building - Construction	250 sq. ft. - 1,250 sq. ft. - per 100 sq. ft.		\$77.17		100%
Building & Housing	Fee	Building - Construction	1,250 sq. ft.		\$2,572.31		100%
Building & Housing	Fee	Building - Construction	1,250 sq. ft. - 2,500 sq. ft. - per 100 sq. ft.		\$123.47		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft.		\$4,115.70		100%
Building & Housing	Fee	Building - Construction	2,000 sq. ft. - 5,000 sq. ft. - per 100 sq. ft.		\$131.70		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$7,408.25		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 12,500 sq. ft. - per 100 sq. ft.		\$55.56		100%
Building & Housing	Fee	Building - Construction	12,500 sq. ft.		\$11,575.40		100%
Building & Housing	Fee	Building - Construction	12,500 sq. ft. - 25,000 sq. ft. - per 100 sq. ft.		\$22.64		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft.		\$14,404.94		100%
Building & Housing	Fee	Building - Construction	25,000+ sq. ft. - per 100 sq. ft.		\$57.62		100%
Building & Housing	Fee	Building - Construction	R-1 - Residential Hotels - New Construction:				
Building & Housing	Fee	Building - Construction	0-2,000 sq. ft.		\$24,758.49		100%
Building & Housing	Fee	Building - Construction	2,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$132.63		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$35,369.27		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 20,000 sq. ft. - per 100 sq. ft.		\$212.22		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft.		\$56,590.84		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft. - 40,000 sq. ft. - per 100 sq. ft.		\$226.36		100%
Building & Housing	Fee	Building - Construction	40,000 sq. ft.		\$101,863.50		100%

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Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	\$ Change	Municipal Code Cost Recovery Goals
Building & Housing	Fee	Building - Construction	40,000 sq. ft. - 100,000 sq. ft. - per 100 sq. ft.		\$95.50		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft.		\$159,161.72		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft. - 200,000 sq. ft. - per 100 sq. ft.		\$38.91		100%
Building & Housing	Fee	Building - Construction	200,000 sq. ft.		\$198,067.92		100%
Building & Housing	Fee	Building - Construction	200,000+ sq. ft. - per 100 sq. ft.		\$99.03		100%
Building & Housing	Fee	Building - Construction	R-1 - Residential Hotels - Tenant Improvement:				
Building & Housing	Fee	Building - Construction	0-500 sq. ft.		\$5,761.98		100%
Building & Housing	Fee	Building - Construction	500 sq. ft. - 2,500 sq. ft. - per 100 sq. ft.		\$123.47		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft.		\$8,231.39		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft. - 5,000 sq. ft. - per 100 sq. ft.		\$197.55		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$13,170.23		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$210.72		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$23,706.42		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 25,000 sq. ft. - per 100 sq. ft.		\$88.90		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft.		\$37,041.27		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft. - 50,000 sq. ft. - per 100 sq. ft.		\$36.22		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft.		\$46,095.81		100%
Building & Housing	Fee	Building - Construction	50,000+ sq. ft. - per 100 sq. ft.		\$92.19		100%
Building & Housing	Fee	Building - Construction	R-2 - Residential Multi-Family - New Construction:				
Building & Housing	Fee	Building - Construction	0-2,000 sq. ft.		\$31,510.81		100%
Building & Housing	Fee	Building - Construction	2,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$168.81		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$45,015.44		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 20,000 sq. ft. - per 100 sq. ft.		\$270.09		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft.		\$72,024.70		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft. - 40,000 sq. ft. - per 100 sq. ft.		\$288.10		100%
Building & Housing	Fee	Building - Construction	40,000 sq. ft.		\$129,644.46		100%
Building & Housing	Fee	Building - Construction	40,000 sq. ft. - 100,000 sq. ft. - per 100 sq. ft.		\$121.54		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft.		\$202,569.47		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft. - 200,000 sq. ft. - per 100 sq. ft.		\$49.52		100%
Building & Housing	Fee	Building - Construction	200,000 sq. ft.		\$252,086.45		100%
Building & Housing	Fee	Building - Construction	200,000+ sq. ft. - per 100 sq. ft.		\$126.04		100%
Building & Housing	Fee	Building - Construction	R-2 - Residential Multi-Family - Tenant Improvement:				
Building & Housing	Fee	Building - Construction	0-500 sq. ft.		\$6,302.16		100%
Building & Housing	Fee	Building - Construction	500 sq. ft. - 2,500 sq. ft. - per 100 sq. ft.		\$135.05		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft.		\$9,003.09		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft. - 5,000 sq. ft. - per 100 sq. ft.		\$216.07		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$14,404.94		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$230.48		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$25,928.89		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 25,000 sq. ft. - per 100 sq. ft.		\$97.23		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft.		\$40,513.89		100%

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¹No fee for Priority II²No fee for Priority III

Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	\$ Change	Municipal Code Cost Recovery Goals
Building & Housing	Fee	Building - Construction	25,000 sq. ft. - 50,000 sq. ft. - per 100 sq. ft.		\$39.61		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft.		\$50,417.29		100%
Building & Housing	Fee	Building - Construction	50,000+ sq. ft. – per 100 sq. ft.		\$100.83		100%
Building & Housing	Fee	Building - Construction	R-4 - Care / Assisted Living - New Construction:				
Building & Housing	Fee	Building - Construction	0-2,000 sq. ft.		\$13,504.63		100%
Building & Housing	Fee	Building - Construction	2,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$72.35		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$19,292.33		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 20,000 sq. ft. - per 100 sq. ft.		\$115.75		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft.		\$30,867.73		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft. - 40,000 sq. ft. - per 100 sq. ft.		\$123.47		100%
Building & Housing	Fee	Building - Construction	40,000 sq. ft.		\$55,561.91		100%
Building & Housing	Fee	Building - Construction	40,000 sq. ft. - 100,000 sq. ft. - per 100 sq. ft.		\$52.09		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft.		\$86,815.49		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft. - 200,000 sq. ft. - per 100 sq. ft.		\$21.22		100%
Building & Housing	Fee	Building - Construction	200,000 sq. ft.		\$108,037.05		100%
Building & Housing	Fee	Building - Construction	200,000+ sq. ft. - per 100 sq. ft.		\$54.02		100%
Building & Housing	Fee	Building - Construction	R-4 - Care / Assisted Living - Tenant Improvement:				
Building & Housing	Fee	Building - Construction	0-500 sq. ft.		\$7,202.47		100%
Building & Housing	Fee	Building - Construction	500 sq. ft. - 2,500 sq. ft. - per 100 sq. ft.		\$77.17		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft.		\$10,289.24		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft. - 5,000 sq. ft. - per 100 sq. ft.		\$123.70		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$16,462.79		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$131.70		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$29,633.02		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 25,000 sq. ft. - per 100 sq. ft.		\$55.56		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft.		\$46,301.59		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft. - 50,000 sq. ft. - per 100 sq. ft.		\$22.64		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft.		\$57,619.76		100%
Building & Housing	Fee	Building - Construction	50,000+ sq. ft. – per 100 sq. ft.		\$57.62		100%
Building & Housing	Fee	Building - Construction	S-1 - Storage Moderate Hazard - New Construction:				
Building & Housing	Fee	Building - Construction	0-1,000 sq. ft.		\$6,752.32		100%
Building & Housing	Fee	Building - Construction	1,000 sq. ft. - 5,000 sq. ft. - per 100 sq. ft.		\$73.35		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$9,646.17		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$115.75		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$15,433.86		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 20,000 sq. ft. - per 100 sq. ft.		\$123.47		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft.		\$27,780.96		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft. - 50,000 sq. ft. - per 100 sq. ft.		\$52.09		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft.		\$43,407.74		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft. - 100,000 sq. ft. - per 100 sq. ft.		\$21.22		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft.		\$54,018.52		100%

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**Plus DOJ and FBI fees. Currently charging for DOJ fees in Live Scan only.

¹No fee for Priority II²No fee for Priority III

Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	\$ Change	Municipal Code Cost Recovery Goals
Building & Housing	Fee	Building - Construction	100,000+ sq. ft. - per 100 sq. ft.		\$54.02		100%
Building & Housing	Fee	Building - Construction	S-2 - Storage Low Hazard - New Construction:				
Building & Housing	Fee	Building - Construction	0-1,000 sq. ft.		\$3,961.36		100%
Building & Housing	Fee	Building - Construction	1,000 sq. ft. - 5,000 sq. ft. - per 100 sq. ft.		\$42.44		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$5,659.08		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$67.91		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$9,054.53		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 20,000 sq. ft. - per 100 sq. ft.		\$72.44		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft.		\$16,298.16		100%
Building & Housing	Fee	Building - Construction	20,000 sq. ft. - 50,000 sq. ft. - per 100 sq. ft.		\$30.56		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft.		\$25,465.88		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft. - 100,000 sq. ft. - per 100 sq. ft.		\$12.45		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft.		\$31,690.87		100%
Building & Housing	Fee	Building - Construction	100,000+ sq. ft. - per 100 sq. ft.		\$31.69		100%
Building & Housing	Fee	Building - Construction	S - Storage - Tenant Improvement:				
Building & Housing	Fee	Building - Construction	0-500 sq. ft.		\$2,475.85		100%
Building & Housing	Fee	Building - Construction	500 sq. ft. - 2,500 sq. ft. - per 100 sq. ft.		\$53.05		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft.		\$3,536.93		100%
Building & Housing	Fee	Building - Construction	2,500 sq. ft. - 5,000 sq. ft. - per 100 sq. ft.		\$84.89		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$5,659.08		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$90.55		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$10,186.35		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft. - 25,000 sq. ft. - per 100 sq. ft.		\$38.20		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft.		\$15,916.17		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft. - 50,000 sq. ft. - per 100 sq. ft.		\$15.56		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft.		\$19,806.79		100%
Building & Housing	Fee	Building - Construction	50,000+ sq. ft. - per 100 sq. ft.		\$39.61		100%
Building & Housing	Fee	Building - Construction	U - Utility - Misc - New Construction:				
Building & Housing	Fee	Building - Construction	0-150 sq. ft.		\$1,530.52		100%
Building & Housing	Fee	Building - Construction	150 sq. ft. - 750 sq. ft. - per 100 sq. ft.		\$109.32		100%
Building & Housing	Fee	Building - Construction	750 sq. ft.		\$2,186.46		100%
Building & Housing	Fee	Building - Construction	750 sq. ft. - 1,500 sq. ft. - per 100 sq. ft.		\$174.92		100%
Building & Housing	Fee	Building - Construction	1,500 sq. ft.		\$3,498.34		100%
Building & Housing	Fee	Building - Construction	1,500 sq. ft. - 3,000 sq. ft. - per 100 sq. ft.		\$186.58		100%
Building & Housing	Fee	Building - Construction	3,000 sq. ft.		\$6,297.02		100%
Building & Housing	Fee	Building - Construction	3,000 sq. ft. - 7,500 sq. ft. - per 100 sq. ft.		\$78.71		100%
Building & Housing	Fee	Building - Construction	7,500 sq. ft.		\$9,839.09		100%
Building & Housing	Fee	Building - Construction	7,500 sq. ft. - 15,000 sq. ft. - per 100 sq. ft.		\$32.07		100%
Building & Housing	Fee	Building - Construction	15,000 sq. ft.		\$12,244.20		100%
Building & Housing	Fee	Building - Construction	15,000+ sq. ft. - per 100 sq. ft.		\$81.63		100%
Building & Housing	Fee	Building - Construction	U - Utility - Misc - Tenant Improvement:				

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Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	\$ Change	Municipal Code Cost Recovery Goals
Building & Housing	Fee	Building - Construction	0-100 sq. ft.		\$1,080.37		100%
Building & Housing	Fee	Building - Construction	100 sq. ft. - 500 sq.ft. - per 100 sq. ft.		\$115.75		100%
Building & Housing	Fee	Building - Construction	500 sq. ft.		\$1,543.39		100%
Building & Housing	Fee	Building - Construction	500 sq. ft. - 1,000 sq. ft. - per 100 sq. ft.		\$185.21		100%
Building & Housing	Fee	Building - Construction	1,000 sq. ft.		\$2,469.42		100%
Building & Housing	Fee	Building - Construction	1,000 sq. ft. - 2,000 sq. ft. - per 100 sq. ft.		\$197.55		100%
Building & Housing	Fee	Building - Construction	2,000 sq. ft.		\$4,444.95		100%
Building & Housing	Fee	Building - Construction	2,000 sq. ft. - 5,000 sq. ft. - per 100 sq. ft.		\$83.34		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft.		\$6,945.24		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 10,000 sq. ft. - per 100 sq. ft.		\$33.95		100%
Building & Housing	Fee	Building - Construction	10,000 sq. ft.		\$8,642.96		100%
Building & Housing	Fee	Building - Construction	10,000+ sq. ft. - per 100 sq. ft.		\$86.43		100%
Building & Housing	Fee	Building - Construction	Shell Building:				
Building & Housing	Fee	Building - Construction	0-5,000 sq. ft.		\$9,903.40		100%
Building & Housing	Fee	Building - Construction	5,000 sq. ft. - 25,000 sq. ft. -per 100 sq. ft.		\$21.22		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft.		\$14,147.71		100%
Building & Housing	Fee	Building - Construction	25,000 sq. ft. - 50,000 sq. ft. - per 100 sq. ft.		\$33.95		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft.		\$22,636.33		100%
Building & Housing	Fee	Building - Construction	50,000 sq. ft. - 100,000 sq. ft. - per 100 sq. ft.		\$36.22		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft.		\$40,745.40		100%
Building & Housing	Fee	Building - Construction	100,000 sq. ft. - 250,000 sq. ft. - per 100 sq. ft.		\$15.28		100%
Building & Housing	Fee	Building - Construction	250,000 sq. ft.		\$63,664.69		100%
Building & Housing	Fee	Building - Construction	250,000 sq. ft. - 500,000 sq. ft. - per 100 sq. ft.		\$6.22		100%
Building & Housing	Fee	Building - Construction	500,000 sq. ft.		\$79,227.17		100%
Building & Housing	Fee	Building - Construction	500,000+ sq. ft. - per 100 sq. ft.		\$15.85		100%

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Department	Fee Type	Department Subcategory	Description	2018-19 (Current) Fee	2019-20 Proposed Fee	\$ Change	Municipal Code Cost Recovery Goals
Public Works	Fee	Water	Water Meter Size - 5/8"	\$27.01	\$28.63	\$1.62	100%
Public Works	Fee	Water	Water Meter Size - 3/4"	\$40.51	\$42.94	\$2.43	100%
Public Works	Fee	Water	Water Meter Size - 1"	\$67.52	\$71.57	\$4.05	100%
Public Works	Fee	Water	Water Meter Size - 1-1/2"	\$135.03	\$143.13	\$8.10	100%
Public Works	Fee	Water	Water Meter Size - 2"	\$216.05	\$229.02	\$12.97	100%
Public Works	Fee	Water	Water Meter Size - 3"	\$405.10	\$429.40	\$24.30	100%
Public Works	Fee	Water	Water Meter Size - 4"	\$675.16	\$715.67	\$40.51	100%
Public Works	Fee	Water	Water Meter Size - 6" and above	\$1,350.33	\$1,431.35	\$81.02	100%
Public Works	Fee	Water	Fire Service Line Size - 2"	\$43.21	\$45.80	\$2.59	100%
Public Works	Fee	Water	Fire Service Line Size - 3"	\$81.02	\$85.88	\$4.86	100%
Public Works	Fee	Water	Fire Service Line Size - 4"	\$135.03	\$143.13	\$8.10	100%
Public Works	Fee	Water	Fire Service Line Size - 6" and above	\$270.07	\$286.27	\$16.20	100%
Public Works	Fee	Water	Volumetric Charge - Residential	\$5.31	\$5.63	\$0.32	100%
Public Works	Fee	Water	Volumetric Charge - Commercial/ Industrial/ Institutional/ Construction Meter	\$5.31	\$5.63	\$0.32	100%
Public Works	Fee	Water	Volumetric Charge - Irrigation (potable)	\$5.31	\$5.63	\$0.32	100%
Public Works	Fee	Water	Volumetric Charge - City Accounts (potable)	\$5.31	\$5.63	\$0.32	100%
Public Works	Fee	Water	Volumetric Charge - Ed Levin Park	\$4.10	\$4.10	\$0.00	100%
Public Works	Fee	Water	Volumetric Charge - Recycled - Irrigation	\$3.57	\$3.79	\$0.22	100%
Public Works	Fee	Water	Volumetric Charge - Recycled - Industrial/ Dual Plumbed/ Construction Water	\$3.57	\$3.79	\$0.22	100%
Public Works	Fee	Water	Volumetric Charge - City Accounts (recycled)	\$3.57	\$3.79	\$0.22	100%
Public Works	Fee	Water	Volumetric Charge - Capital Surcharge	\$1.08	\$1.08	\$0.00	100%
Public Works	Fee	Sewer	Residential Flat fee - Single-Family	\$97.60	\$102.52	\$4.92	100%
Public Works	Fee	Sewer	Residential Flat fee - Multiple-Family	\$74.96	\$78.73	\$3.77	100%
Public Works	Fee	Sewer	Residential Flat fee - Mobile Home Parks	\$61.61	\$64.70	\$3.09	100%
Public Works	Fee	Sewer	Non-Residential Flat Rate	\$24.30	\$25.03	\$0.73	100%
Public Works	Fee	Sewer	Quantity and Strength Charges - Motels, hotels & senior citizen housing developments	\$4.36	\$4.58	\$0.22	100%
Public Works	Fee	Sewer	Quantity and Strength Charges - General offices, banks, government offices, general merchandise, retail, and shopping centers; building, hardware, and gardening material facilities; amusement centers, and theaters	\$4.67	\$5.44	\$0.77	100%
Public Works	Fee	Sewer	Quantity and Strength Charges - City of Milpitas	\$4.18	\$4.61	\$0.43	100%
Public Works	Fee	Sewer	Quantity and Strength Charges - Service stations, repair shops, and car washes	\$4.34	\$4.54	\$0.20	100%
Public Works	Fee	Sewer	Quantity and Strength Charges - Eating and drinking establishments	\$7.49	\$7.49	\$0.00	100%
Public Works	Fee	Sewer	Quantity and Strength Charges - Convalescent hospitals, day care centers and health service facilities	\$4.23	\$4.46	\$0.23	100%
Public Works	Fee	Sewer	Quantity and Strength Charges - Personal services - laundry, barber/beauty shops, cleaners	\$3.95	\$4.23	\$0.28	100%
Public Works	Fee	Sewer	Quantity and Strength Charges - Electrical and electronics design, fabrication, assembly and storage facilities	\$4.59	\$5.35	\$0.76	100%
Public Works	Fee	Sewer	Quantity and Strength Charges - Metal fabrication, machinery, and tool fabrication facilities	\$6.08	\$6.70	\$0.62	100%
Public Works	Fee	Sewer	Quantity and Strength Charges - RockTenn (Jefferson Smurfit Corporation)	\$8.35	\$8.35	\$0.00	100%
Public Works	Fee	Sewer	Quantity and Strength Charges - T. Marzetti Co.	\$9.16	\$9.63	\$0.47	100%
Public Works	Fee	Sewer	Quantity and Strength Charges - Prudential Overall Supply	\$6.70	\$6.70	\$0.00	100%
Public Works	Fee	Sewer	Quantity and Strength Charges - Siemens Water (previously US Filter)	\$4.91	\$5.61	\$0.70	100%
Public Works	Fee	Sewer	Quantity and Strength Charges - Elmwood Rehabilitation center	\$5.49	\$5.49	\$0.00	100%
Public Works	Fee	Sewer	Quantity and Strength Charges - Linear Technology Corporation	\$4.59	\$5.47	\$0.88	100%
Public Works	Fee	Sewer	Quantity and Strength Charges - DS Water	\$4.59	\$4.80	\$0.21	100%
Public Works	Fee	Sewer	Quantity and Strength Charges - Headway Technology Corporation	\$4.62	\$5.82	\$1.20	100%
Public Works	Fee	Sewer	Quantity and Strength Charges - Lucky Pure Water	\$3.94	\$4.21	\$0.27	100%
Public Works	Fee	Sewer	Quantity and Strength Charges - Milpitas Materials	\$3.94	\$4.21	\$0.27	100%
Public Works	Fee	Sewer	Quantity and Strength Charges - Union Pacific Railroad	\$5.11	\$5.84	\$0.73	100%
Public Works	Fee	Sewer	Quantity and Strength Charges - Cisco	\$4.59	\$5.35	\$0.76	100%
Public Works	Fee	Sewer	Quantity and Strength Charges - Lifescan	\$4.59	\$5.35	\$0.76	100%
Public Works	Fee	Sewer	Quantity and Strength Charges - Schools, colleges and churches	\$6.31	\$7.94	\$1.63	100%

Report on the Evaluation of the Development Review Process

CITY OF MILPITAS, CALIFORNIA



April 2019

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1. Introduction and Executive Summary

The City of Milpitas provides essential city planning, building, and permitting services to both residents, businesses, and the development community. These services are performed by the following departments: Planning; Building and Housing; Engineering – Land Development; Public Works - Utilities Engineering; and Fire Prevention. In addition, the Office of Economic Development engages in business development and/or recruitment and permit expediting associated with such development activities. These departments and divisions serve under the general direction of the City Manager's office and are identified as the City's "Community Development City Service Area" (CSA).

City management identified a need for addressing various organization and operational issues in order to best serve a 21st century Milpitas. For example, fee schedules for services provided by Planning, Building, Engineering, Public Works, and Fire Prevention are deficient having not received a comprehensive assessment since 1994. As such, City Council and City Management have cited this Service Delivery/Organizational Assessment and Fee Study as an essential area of review and improvement to provide best in class service to the community.

The Matrix Consulting Group was retained by the City of Milpitas to assess the organizational structure, staffing levels, service delivery, and user fees related to the development review, permitting, and inspection process. This study was designed to provide an understanding of the organizational structure, the efficiency and effectiveness of the overall processes and operations, identify appropriate staffing levels, and analyze current fee structures and rates. This report summarizes our findings, conclusions, and recommendations regarding the organizational, staffing levels, processes, and service delivery portion of the study. The results of the Cost of Service study for the Development-based user fees have been provided as a separate report.

1 OVERVIEW OF THE STUDY

Development review, permitting, and inspection activities for the City of Milpitas occur in multiple function areas, including: Planning, Building, Fire, Engineering and Public Works (Land Development and Utilities Engineering). The Finance Department and Office of Economic Development also provide various levels of support within the CSA with particular support to the Planning and Building & Housing functions. The project team evaluated the functions of these operational areas and their involvement in the development review process.

This report provides specific recommendations to improve the organizational structure and staffing levels to ensure services are being provided effectively, efficiently and with a strong focus on customer service to applicants. This report also acknowledges that a new executive leadership team has been assembled over the past year and significant

changes are taking place in the development review process and relationship building with the development and business community as well as the general public. By completing this study, the City of Milpitas is demonstrating further commitment to a process of continuous improvement and providing a high level of service to residents, the development community, and staff. Implementing the recommendations contained in this report will aid the City in its ongoing efforts to conduct operations in accordance with best practices.

2 STUDY SCOPE AND METHODOLOGIES

In this study, the Matrix Consulting Group's project team utilized a wide variety of data collection and analytical techniques. The project team conducted the following data collection and analytical activities:

- Developed an in-depth understanding of issues impacting key areas. To gain understanding of the various operations, processes, organizational structure, and issues, the project team conducted multiple interviews with staff from each department. Interviews focused on the roles/responsibilities of staff, levels of services provided by each section, resources available to perform those services, and understand current and potential issues.
- The project team developed a profile document that captured staffing levels, roles and responsibilities, and process mapping for each operational area. This document was utilized as a base point of comparison for future analysis and comparison for all recommendations.
- A series of stakeholder meetings were held between the project team and prior and current customers involved in the development review process. The project team and staff also provided updates to the City's Community Development Roundtable which is comprised of various real estate and development representatives. Most importantly, the stakeholder meetings provided customers with the ability to share their opinions on current strengths and opportunities for improvement for the development review process.
- Conducted a Strength, Weakness, Opportunities, and Threats (SWOT) analysis with line staff. The purpose of this meeting was for the project team to allow input from staff involved in the development review process. This activity identified areas that are currently working well, improvement opportunities, and obstacles that may impact future operational changes.
- A best management practices assessment was completed that included a comparison of current practices to industry standards. The project team focused on best management practices for management and administration, process, staffing levels, organizational structure, policies, and technology utilizations.

- Completed a comparative survey assessment for development review activities between the City of Milpitas and other comparable jurisdictions in the Bay Area.
- Evaluated the fee structure and cost of service relationships that exist between current fees and the service levels. This report is provided under separate cover.
- Based on the previously mentioned activities and initial findings, the project team analyzed issues, explored alternative service delivery options, and developed recommendations to create a more efficient and effective process. The analysis resulted in recommendations to staffing, services, processes, and technology usage to streamline the services provided and to help the City meet its goals.

The report is divided into the following chapters:

- Staffing and Organizational Structure Analysis
- Process and Procedure Improvements
- Technology Utilization
- Fee and Revenue
- Appendices that include copies of the following interim documents:
 - Profile,
 - Best Practice Assessment,
 - SWOT Analysis,
 - Stakeholder Analysis,
 - Employee Survey, and
 - Comparative Survey

Each of these sections will provide relevant recommendations and insight into the City's development review process as it relates to the City overall or to individual departments.

3 SUMMARY OF RECOMMENDATIONS

Based on the assessment and analysis, there are a variety of recommendations for each topic covered in this assessment that are discussed in detail throughout this report. These are consolidated into the following table which shows the recommendation, priority and suggested timeframe for implementation. The recommendations are provided in the order in which they appear in the report – not in order of highest priority.

Summary of Recommendations and Implementation Plan

#	Recommendation	Priority	Time-frame
Staffing and Organizational Structure			
1	The City should continue its effort to make Milpitas an inviting workplace, including exploring alternative and creative options such as incentive pay for multi-lingual staff or flexible work schedules	Medium	On-going

#	Recommendation	Priority	Time-frame
2	The Planning Department should consider adding a new Principal Planner and dedicate one existing Planner position to long-range planning activities to ensure these critical duties are provided the necessary staff time and attention. The fiscal impact of these positions would be net neutral as they would be funded through the Community Planning Fee.	High	2019
3	The Building Division is appropriately staffed if all existing authorized positions are filled. The division recently augmented its staffing with a combination of new positions and the upgrading of temporary positions to full-time in late 2018.	High	2019
4	The Fire Prevention Division should consider adding 1.0 Fire Protection Engineer. The fiscal impact of this position would be absorbed through Fire Prevention Permit revenue.	High	ASAP
5	The Engineering Department is sufficiently staffed to perform plan review, inspection and traffic review functions due to recent FY18-19 position additions. The department should consider transitioning the temporary Public Works Inspector position to a permanent position due to the volume of development activity.	Medium	2020
7	The roles and responsibilities for development review activities should be clarified between the Engineering and Public Works Department and greater coordination implemented to improve service delivery to applicants.	High	2020
8	The City should consider hiring a position dedicated to the IT and GIS needs for Development Services. This TRAKIT Systems Administrator should report to the Building Housing Director, but should be funded through the Permit Automation Fund.	High	2019
9	In the next several years, the City should implement a Development Services Technician position (cross-trained Building Permit Technician) to help streamline the City's development review process. Upon implementation, the cost of this position should be accounted for in development review fees.	Medium	2020-2021
10	Consider creating the position of Permit Navigator, reporting to the Planning Director, to oversee all development review processes and serve as a liaison to the development community.	High	2019
Process and Procedures			
11	Develop new Standard Operating Procedures for key operational processes. Revise Standard Operating Procedures for processes that are not up to date or relevant.	High	ASAP
12	Develop and implement a robust training program for new and revised Standard Operating Procedures (SOPs). Ensure training for all staff on the revised SOPs prior to implementation.	High	ASAP
13	Transition to electronic submittal for all development permit applications.	High	2020

#	Recommendation	Priority	Time-frame
14	Implement more specific applications which include submittal checklists for the most frequently utilized and high-volume application types.	Medium	2020
15	Require Permit Technicians to perform an application completeness check before accepting a new application and only accept applications that are complete and ready for review.	High	2019
16	Provide training to staff to enable a complete initial first review of applications to reduce the number of late hits on subsequent reviews.	High	2019
17	Revise review timelines for all review entities to ensure they align with the published turnaround times.	Medium	Ongoing
18	The percentage of plan reviews conducted in compliance with adopted plan review targets should be added as a performance measure to increase accountability within the Department.	Medium	2020
19	Develop an Expedited Program for Standardized Tenant Improvement Plan Reviews to allow for a more efficient and streamlined review process for specific types of interior only tenant improvement projects.	High	2020
20	Establish shorter turnaround timeframe for Tenant Improvement Applications; such as an Interior TI less than 10,000 sq. ft. should be reviewed within 48 business hours; whereas, perhaps a TI larger than 10,000 sq. ft. interior only should take 5 business days.	Medium	2021
21	The Development Review Committee's primary focus should be on the review of development applications.	Medium	2019
22	Update design standards and specifications.	High	2019
23	Designate a Zoning Hearing Officer to serve as the decision making body for Minor Conditional Use Permits, Special Use Permits, Minor Site Development Permits, Site Development and Variance applications.	High	2020
24	Provide an approval authorities table and application review process diagrams on the Planning Department's website.	Medium	2019
Technology Improvements			
25	Conduct a technology needs assessment to determine gaps with the current software and hardware systems deployed and identify opportunities for greater integration of all development related operations.	High	2019
26	Develop a software training program for new users, including a user guide for on-going use.	High	2019
27	Provide on-going training when new software updates are released or when new process implementation impacts how staff use the software.	High	On-going
28	Utilize the time keeping feature of TRAKiT to capture time charges for application review.	High	2020

#	Recommendation	Priority	Time-frame
29	Utilize TRAKiT for all development related activities (plan review and inspections) across all departments.	High	2020
30	Provide TRAKiT access for Economic Development and Housing staff upon completion of the proper training.	Medium	ASAP
31	Expand electronic application and plan submittals to all development application types. Ensure that TRAKiT and ProjectDox is integrated with Fire and Land Development independent software systems before implementation.	High	2020
32	Transition to only digital as-built drawing submittal and attach to the permit file in TRAKiT.	High	2020
33	Longer-term, all prior permits and selected documents regarding that permit should be scanned and included in TRAKiT to provide a comprehensive resource regarding prior permitting activities at an address.	Low	2021 and ongoing
34	Integrate the City's GIS system into the TRAKiT permitting system.	Medium	2020
35	The City should create a development webpage and interactive map to provide development project information to the public.	Medium	2020
Fees and Revenue			
36	Detailed policies regarding impact fees and user fees should be established, which should include the following: - Nexus or basis for charging fees - Annual updates to fees - Frequency of comprehensive updates - Collection of fees - Purpose/use of fees	High	ASAP
37	A unified PJ Policies and Procedures Account should be developed, clearly outlining the roles and responsibilities of the departments involved in the process, the collection of funds, stop work order thresholds, overall process, etc.	High	2019
38	The City should develop standard operating procedures for fee collection and application by adopting a do's and don'ts checklist for fee collection.	High	ASAP
39	The City should update its online permit fee calculation samples to incorporate examples of Planning, Fire, and Land Development Permits. The existing building permit samples should be updated based upon the adopted fee schedule.	High	ASAP
40	Development Services activities should be transitioned from a General Fund to Enterprise Fund(s) over the next several years.	Medium	2020-2021
41	A deferred revenue fund for Fire Prevention should be established to be consistent with the deferred revenue fund for Building.	High	2019

#	Recommendation	Priority	Time-frame
42	Fee revenue (user fees and development impact fees) should be audited within 10 business days of initial fee payment by the Administrative Analyst II position for any development projects that are greater in scope than 50,000 sq. ft.	High	2019
43	Fast Track / Overtime Plan Review should only be charged based on City Council adopted overtime hourly rates on the fee schedule and there should be no additional plan review charges beyond the overtime hourly rate times hours billed to a project.	High	ASAP
44	The City should not offer expedited review when there is a lack of staff overtime availability in all reviewing departments.	High	ASAP

The detailed narrative and analysis regarding each of these recommendations is contained in the body of the report.

4 SUMMARY OF POSITION CHANGES.

The following table summarizes the recommended position changes contained in the report and summarizes the funding source for each position.

Department	Recommendation	Funding Source
Building	Implement a Development Services Technician position (cross-trained Building Permit Technician).	Development Review Fees
Building	TRAKiT System Administrator (1 new position)	Permit Automation Fund
Engineering	Transition the temporary Public Works Inspector positions to permanent positions.	Engineer Plan Review and Inspection Fee Revenue
Fire	Fire Protection Engineer (1 new position)	Fire Plan Review and Inspection Fee Revenue
Planning	Principal Planner for long-range planning activities (1 new position)	Community Planning Fee
Planning	Permit Navigator (1 new position)	Development Review Fees

More details regarding each of the positions for consideration are contained in the following chapter.

2. Staffing and Organizational Structure Analysis

One of the primary areas of focus for the development review analysis was to ensure that the staffing levels and organizational structure within the City are sufficient to meet desired service levels. The focus of this chapter is to evaluate the key components that impact the staffing needs for each of the partners in the development review process and to address any necessary organizational structure changes.

1 **THERE HAS BEEN SIGNIFICANT TURNOVER IN STAFF FOR DEVELOPMENT SERVICES WHICH HAS AFFECTED INSTITUTIONAL KNOWLEDGE.**

This report acknowledges that the Community Development City Service Area has experienced significant staff turnover in executive management and staffing over the past five years with significant hiring and retention challenges. This led to a commensurate reduction of institutional knowledge and continuity in processing, lack of proper staffing levels, limited cross-departmental strategic planning, dated basic fee schedules, lack of recent comprehensive development services fee schedule update, poor use of permitting technology and lack of permit system training, extended permitting and inspection responsiveness, limited succession planning, and deferred long range planning activities.

In addition, city staff have been retiring and there is an increased shortage of qualified building plan check review and inspection staff within the region. This lack of qualified staff in the marketplace makes it difficult to fill vacancies as well as affects the ability to retain staff. Also, the city has utilized contract staff in certain positions (e.g. Planning) which led to increased staff turnover.

Staff turnover is an important issue to evaluate as even if the city has sufficient authorized staffing levels and fills all of its vacancies, there are still negative impacts from staff turnover. The following points highlight some of these key impacts:

- **Lack of Institutional Knowledge:** This is the most significant impact due to staff turnover. When prior city staff depart, the knowledge and background regarding the rationale behind current or existing processes leaves with them. In some instances, the lack of ability to transfer any knowledge, results in a lack of understanding of current processes.
- **Low Employee Morale:** As staff are constantly being hired and leaving a department or division, there can be an impact on employee morale. There can be perceptions regarding lack of career progression or better career opportunities outside of the city, resulting in employees feeling dissatisfied with their current positions.
- **Lack of Department Stability:** Constant staff turnover can also result in the perception that there is a lack of stability associated with the department and

service, as people and therefore services and service levels could be constantly shifting.

- **Lack of Continuity:** Changes in staffing can lead to changes in the staff who process development review permits. Depending on the staff position's knowledge of the city's codes and/or processes, the lack of continuity can lead to extended review timelines, as well as re-interpretation of codes and comments. There is a lack of continuity associated with the development project.

As all these points highlight, staff turnover has major impacts internally and externally for the city on the quality and timeliness of services provided to customers. Fortunately, it appears that one of the major factors impacting staff morale negatively and contributing to job dissatisfaction was an organizational culture related to prior City Management. With significant changes in the organization's leadership and a new leadership team in place, issues are being addressed to improve the organizational culture. Efforts such as this study, which is focused on ensuring staff have the necessary resources to perform their job, is one example of the changes being implemented.

Therefore, it is important for the city to mitigate the staff turnover issues that have been present over the last several years. As previously mentioned, staff turnover has primarily been affected based upon retirement of staff and staff retention. Staff retention is influenced by three major components:

1. **Career Development** – this aspect of retention is focused on the career ladder available to certain positions, as well as internal opportunities for growth within the City.
2. **Compensation** – this aspect of retention is objective and is affected by the base pay and steps associated with each position.
3. **Organizational Culture** – this aspect of retention is subjective and qualitative in nature and has to do with the perks such as flexible schedules, high employee morale, positive work environment, distribution of workload, and leadership ability.

The project team evaluated the three components noted above as it relates to the typical development services classifications – Building Inspector, Building Plan Checker, Fire Protection Engineer, Fire Prevention Inspector, Associate Planner, and Associate Civil Engineer.

For the majority of these positions (Planner, Engineer, Inspector, and Plan Checker) the City of Milpitas offers comparable growth opportunities in terms of career ladder. Additionally, in other jurisdictions, some of these functions are part of other departments rather than their own individual departments, e.g. Planning and Building make up the

Community Development Department or Engineering is part of Public Works, which further limits the ability of staff to grow into departmental managerial positions.

The positions were also evaluated in terms of compensation. It is part of the City's budget process to conduct a comprehensive classification and compensation analysis. This will be critical to ensuring that current staff and potential staff at the City are appropriately compensated based upon market and the value that they bring to the City. The project team picked some common position types and compared the minimum and maximum salaries to calculate the mid-point offered by some of the surrounding jurisdictions and compared it to the City of Milpitas:

Jurisdiction	Associate Planner	Building Inspector	Fire Protection Engineer	Associate Civil Engineer
Dublin	\$109,704	N / A	N / A	\$129,804
Fremont	\$102,268	\$102,014	\$104,477	\$118,585
Livermore	\$108,901	\$95,395	N / A	\$116,682
Mountain View	\$111,082	\$94,926	\$141,376	\$118,917
San Mateo	\$100,643	\$88,068	\$114,781	\$114,781
Santa Clara	\$123,438	\$121,128	\$138,000	\$118,410
Sunnyvale	\$99,887	\$92,030	\$128,336	\$108,407
AVERAGE (EXCL. MILPITAS)	\$107,989	\$98,927	\$129,101	\$117,941
MILPITAS	\$113,803	\$100,175	\$137,883	\$115,244

For three out of the four positions, the average pay rate for Milpitas is higher than the overall average of the surrounding jurisdictions, the only exception is the Associate Civil Engineer position. This indicates that the City's current salary schedule is generally competitive with other jurisdictions.

The last component the project team evaluated was the organizational culture. This is typically a subjective measure and difficult to quantify. However, during the course of this study, the project team conducted an employee survey for all employees in development review process that assist in evaluating this factor. There were several questions in the survey that focused on employee experience with management and the workplace. The following points list some of the questions and their responses that relate to improving workplace culture:

- My voice and opinions are heard – 78% of staff agreed
- Professional development is encouraged – 79% of staff agreed
- I am empowered at work to act within my scope of expertise – 87% of staff agreed
- Managers in my department are receptive – 91%

As these points indicate, the current employees in development review services generally seem to be very satisfied with the new organizational culture.

Overall, the City has made a concerted effort to address many of the reasons behind the extensive staff turnover over the past several years and is headed in the right direction. The City should continue to monitor staff workload and priorities, salary schedules, career development, and succession planning to ensure that there is a focus on staff retention.

The City could explore some other unique options for career incentives at the City. For example, in order to be more employee friendly include offering flexible work schedules, especially due to long commute times in the Bay Area. Department directors for Planning, Building, Engineering, and Fire Prevention should work closely with the City's Human Resources department to identify other viable options to mitigate staff turnover.

Recommendation #1: The City should continue its effort to make Milpitas an inviting workplace, including exploring alternative and creative options such as incentive pay for multi-lingual staff or flexible work schedules.

2 THE PLANNING DEPARTMENT SHOULD CONSIDER ADDING A PRINCIPAL PLANNER POSITION FOR LONG RANGE PLANNING EFFORTS AND EXISTING RESOURCES SHOULD BE REALLOCATED TO DEDICATED ZONING COMPLIANCE INSPECTION AND LONG-RANGE PLANNING EFFORTS.

The Planning Department is responsible for both long range and current planning services. The Department is responsible for enforcing the City's Zoning Regulations, General Plan, and other development review ordinances as part of the entitlement or project planning phase of a development project. Staff in this department work on preparing updates to the Zoning Code, General Plan, and coordinating review of land development application. Prior to FY19, the Department also consisted of Neighborhood Planning Services (Housing and Code Enforcement), but these functions have now been transferred to the Building Department. The following table shows the historical staffing levels for the Planning department by position title (only including the Planning function not Neighborhood Services):

Position Title	FY17 Budget FTE	FY18 Budget FTE	FY19 Budget FTE
Planning Director	1.0	1.0	1.0
Planning Manager	0.0	1.0	1.0
Secretary	1.0	1.0	1.0
Senior Planner	2.0	2.0	2.0
Associate Planner	0.0	2.0	2.0
Assistant Planner	1.0	1.0	1.0
Junior Planner	1.0	1.0	1.0
Student Intern	2.0	1.0	1.0
TOTAL STAFF	8.0	10.0	10.0

As the table indicates the primary shift in Planning occurred between FY17 and FY18 when there was an increase of two positions in the Department. The transition occurred by removing one student intern and adding three new positions – 2 Associate Planners and 1 Planning Manager.

The Planning Department currently charges for the majority of its development review applications as Private Job (PJ) accounts, which are essentially developer deposits. The project team worked with staff in Finance to obtain information regarding time billed to development projects. There are very few services provided by the Planning Department for which it charges a flat fee. As part of the user fee study analysis, the project team worked with staff to estimate the average amount of hours it takes to review and process those applications. In addition to planning-related projects, the planning department also provides support to Building projects by conducting review of building plans. The following table shows by workload type the annual hours of activity associated with Planning Applications:

Workload Category	Annual Hours
PJ Accounts	1,597
Planning Flat Fees	737
Building Plan Review Support ¹	1,410
TOTAL ANNUAL HOURS²	3,744

As the table indicates, the Planning Department spends approximately 3,744 hours on development-related activities. It is important to note that there is almost just as much support provided for Building Plan Reviews as there is for developer deposit-based applications. The annual workload hours were divided by the Department's available hours to calculate the estimated staffing requirements. The project team calculated the Department's available or productive hours based upon the review of the City's labor agreements as well as standardized assumptions regarding meetings, breaks (lunches), and training hours. The following table shows the assumptions utilized for the calculation of the productive hours:

Category	Amount (Hrs)
Base Full Time Hours	2,080
Holidays (13 days a year)	104
Vacation (11 days a year)	88
Sick (12 days a year)	96
Breaks / Meetings / Training ³	391
<i>Subtotal of Hours to Be Excluded</i>	<i>679</i>
Annual Productive Hours	1,401

¹ Building Plan Review support is based upon 7 building plan reviews that were routed to Planning and average review time of 2 hours per Plan Review, based upon discussions with Planning staff.

² The annual hours were rounded to the nearest hour for ease of presentation.

³ The Breaks / Meetings / Training hours assumes 1 hour of lunch, 2.5 hours of meetings on average per week, and 2 full days of training per year.

Based upon the detailed analysis conducted by the project team, the Planning Department staff have approximately 1,401 hours available annually to perform billable activities. The 1,401 hours reflect a productivity rate of 67%, which is within the 65-70% typically seen for these types of activities. The project team took the annual estimated workload hours and divided by these annual productive hours to calculate the estimated number of staff necessary to perform development related planning activities. The following table shows this calculation:

Category	Planning FTE
Estimated Annual Hours of Workload	3,744
Annual Productive Hours	1,401
ESTIMATED FTE	2.67

Based upon the estimated annual workload hours, there is the need for approximately 2.67 Planners. Due to the complexity of Planning projects and reviews, the different types of projects and services that planning staff work on during the year, as well as significant staff turnover (which impacts coding time to PJ accounts), it is difficult to utilize historical workload and estimated hours as the only method for determining staffing needs. Additionally, the Planning Director and Planning Manager spend significant time reviewing current planning applications, and their time is not captured in the PJ account information.

Currently, there are a total of 6 planner position titles, which can work on development review activities; and based upon the analysis there is the need for approximately 3 Planners for these services. However, there are certain services that are not being captured in this calculation – conditions of approval inspections and long-range planning activities.

Currently, planning staff only sporadically conduct inspections on building projects. The volume of building permit activities (705 permits reviewed by Planning staff for just Plan Review) indicates that there is sufficient workload to at least require a Planner to be dedicated part-time to this activity throughout the year.

For long-range planning activities, many agencies in the surrounding bay area jurisdictions have approximately 1 - 2 full-time planners dedicated to General Plan and long-range planning activities. Due to the influx of development activity in the Bay Area, it is imperative that there is staff dedicated to ensuring that zoning codes, ordinances, specific plans, and other impacts to the City's long range plans are being considered. Long range planning efforts have historically been completed by the Planning Manager and consultants working on the City's Midtown Specific Plan and General Plan update. Long range planning efforts have received little to no attention over the past few years. Moreover, the City Council has had multiple discussions focusing on long range planning and policy updates.

Therefore, there is a need for one additional long range Planning position within Planning to be dedicated full-time to these efforts. Planning staff in City of Milpitas could be used to work on comprehensive updates to the Zoning Code, Ordinances, CEQA, Bike and Pedestrian Master Plan, Trails Master Plan, Shuttle Study, etc. Ideally, the individual in this role will have previous experience with CEQA, transportation and long range planning. A dedicated long range planner will help alleviate some of the long range planning efforts currently completed by the Planning Manager as they will support or lead the previously listed projects and duties. In some jurisdictions, Planners who work on these efforts either are budgeted directly out of the General Plan/Long Range Planning Fund or charge their time to those services. This practice ensures that Planning staff are minimizing their impact on the City's General Fund. One existing planner and one new planner position should be dedicated to long-range planning activities.

Based upon current workload analysis, there is sufficient current planning capacity in the Planning Department to manage current workload needs and perform additional current planning work, such as zoning compliance inspections. The two long range planners would have sufficient capacity to not only manage the existing long range planning projects but to allocate staff to work on other much needed long-range planning projects such as General Plan efforts. These positions should be funded through the City's established Community Planning Fee, which is meant to account for the annual cost associated with the City's long-range planning efforts.

Recommendation #2: The Planning Department should consider adding a new Principal Planner and dedicate one existing Planner position to long-range planning activities to ensure these critical duties are provided the necessary staff time and attention. The fiscal impact of these positions would be net neutral as they should be funded through the Community Planning Fee.

3 THE BUILDING DIVISION SHOULD FILL ALL AUTHORIZED POSITIONS TO MEET WORKLOAD DEMANDS.

The Building and Housing Department has gone through several staffing and organizational changes over the past several years. The Building and Housing Department is responsible for performing plan check and inspections related to building codes, as well as enforcing the City's Municipal/Building Code, and providing support related to housing development within the City. The primary focus of the study and the analysis was on the Building Plan Check, Inspection and Permitting portion of the Department. The following table shows the historical and current staffing levels for the Building Department (building only component) by position title for the past three years:

Position Title	FY17 Budget FTE	FY18 Budget FTE	FY19 Budget FTE
Building and Housing Director	0.0	1.0	1.0
Chief Building Official	1.0	0.0	0.0
Sr. Plan Check Engineer	0.0	1.0	1.0

Position Title	FY17 Budget FTE	FY18 Budget FTE	FY19 Budget FTE
Plan Check Engineer	2.0	2.0	2.0
Plan Checker	1.0	1.0	1.0
Temporary Plan Check Engineer	1.0	1.0	2.0
Building Inspection Manager	1.0	1.0	1.0
Sr. Building Inspector	0.0	2.0	2.0
Electrical Inspector	1.0	1.0	1.0
Building Inspector	7.0	5.0	5.0
Temporary Inspector	4.0	5.0	7.0
Permit Center Manager	1.0	1.0	0.0
Building Permit Tech	2.0	2.0	2.0
Office Specialist	1.0	1.0	1.0
Office Assistant	1.0	1.0	1.0
TOTAL STAFF	23.0	24.0	27.0

As the table shows, the Building Division's staff has increased over the past three years as well as reorganization of job duties and allocated positions. During the course of this project, there were further staffing changes within the Division. In December 2018, City Council approved the addition of 3.0 FTE to the department, along with transitioning some of the temporary positions to permanent positions to address urgent deficiencies in staffing resources. The following tables incorporate the mid-year adjustments into the historical staffing analysis:

Position Title	FY17 Budget FTE	FY18 Budget FTE	FY19 Budget FTE	FY19 Mid- Year FTE
Building and Housing Director	0.0	1.0	1.0	1.0
Chief Building Official	1.0	0.0	0.0	1.0
Administrative Analyst II	0.0	0.0	0.0	1.0
Plan Review Manager	0.0	0.0	0.0	1.0
Sr. Plan Check Engineer	0.0	1.0	1.0	1.0
Plan Check Engineer	2.0	2.0	2.0	4.0
Plan Checker	1.0	1.0	1.0	1.0
Temporary Plan Check Engineer	1.0	1.0	2.0	0.0
Building Inspection Manager	1.0	1.0	1.0	1.0
Sr. Building Inspector	0.0	2.0	2.0	2.0
Electrical Inspector	1.0	1.0	1.0	1.0
Building Inspector	7.0	5.0	5.0	9.0
Temporary Inspector	4.0	5.0	7.0	3.0
Permit Center Manager	1.0	1.0	0.0	0.0
Building Permit Tech	2.0	2.0	2.0	2.0
Office Specialist	1.0	1.0	1.0	1.0
Office Assistant	1.0	1.0	1.0	1.0
TOTAL STAFF	23.0	24.0	27.0	30.0

The three positions added in the mid-year budget adjustment are the Building Official, the Administrative Analyst II, and the Plan Review Manager position. These are all support positions, as all direct positions were simply transitioned from temporary to permanent staff rather than adding any new positions.

Along with gathering information on staffing levels, the project team also obtained workload and permit volume data for the Building Division. The project team used this information to calculate the number of positions required for the three main components of service – Permit Technicians, Plan Reviewers, and Building Inspectors. The workload information was multiplied by the average amount of time it takes for permit technicians to process the permit, plan reviewers to review the number of plan reviews conducted, and the inspectors to conduct their inspections. The following table outlines the assumptions made by the project time for the average time:

Workload Activity	Average Time (Hours)
Permit Processing	45 minutes (0.75)
Plan Review	1 hour (1.00)
Inspection	40 minutes (0.67)

The majority of the building permits issued by the permit technicians are over the counter and simple permits. These types of permits take between 15 to 30 minutes to process. However, approximately 10% of the permits last year were more than just over-the-counter permits, and these types of permits can require significant amount of support from Permit Technicians as it relates to setting up the permit, taking the permit in, calculating permit fees, communicating with the developer, etc. Therefore, the project team arrived at an estimate of 45 minutes to reflect the average time it takes to handle each permit. This accounts for the fact that simpler permits represent up to the 90% of the work activity, but also allows some buffer associated with the larger projects.

The project team obtained information from the Department regarding the types of Plan Reviews that are performed. Building Plan Reviewers are responsible for conducting a variety of plan reviews such as electrical, mechanical, plumbing, structural, architectural, grading, etc. The time it takes to conduct these plan reviews can vary dramatically from 15 to 20 minutes to several hours to more than a couple of days. Therefore, the project team utilized a similar approach as the Permit Technicians to arrive at a reasonable average that would not over-inflate the time spent on each type of plan review, but also not significantly under estimate the support by the plan reviewers. The reasonable average was approximately 5 hours per overall plan review conducted for each type of plan review permit issued. The 5 hours considers that the bulk of the plan reviews being done are on larger and standard projects where the plan review is closer to the standardize 4-6 hours rather than the 15 to 25 minutes; hence the average skews closer to the 5 hours. The simpler plan reviews (15 to 25 minutes) would typically be related to over the counter permits and performed by the Permit Technicians.

For the inspectors, the average time per inspection was calculated based upon the standard of conducting between 12 to 15 inspections per day. If the assumption is made that in an 8-hour workday, an inspector can conduct at least 12 inspections, this assumes an average of 40 minutes per inspection, including travel time. The following table shows

the workload information, average time assumed, and the annual number of hours associated with each activity:

Workload Category	Permit Processing	Plan Review	Inspection
# of Permits / Reviews / Inspections	4,978	1,473	25,530
Average Time per activity (hrs)	0.75	5.00	0.67
TOTAL ANNUAL HOURS⁴	3,734	7,365	17,105

As the table shows, the bulk of the workload for the Building Division is associated with inspections followed by plan review and permit processing. The information from this table was divided by the productive hours available to Building Division staff for performing this workload. The productive hours calculation reduces the annual hours of an employee (2,080 hours) by vacation, sick, trainings, meetings, etc. The project team calculated the Building Division's annual productive hours based upon the specific MOUs associated with Building Division staff. The following table shows the calculation the project team used to arrive at the billable hours calculation for Building Staff:

Category	Amount (Hrs)
Base Full Time Hours	2,080
Holidays (13 days a year)	104
Vacation (11 days a year)	88
Sick (12 days a year)	96
Breaks / Meetings / Training ⁵	374
<i>Subtotal of Hours to Be Excluded</i>	<i>662</i>
Annual Productive Hours	1,418

The 1,418 Productive Hours represent a productivity rate of 68%, which is well within the typical standard of 65-75% that is seen for most local governments. The following table shows the calculation for number of FTE needed based upon the annual hours calculated and the annual productive hours:

Category	Permit Processing	Plan Review	Inspection
Estimated Annual Hours of Workload	3,734	7,365	17,105
Annual Productive Hours	1,418	1,418	1,418
ESTIMATED FTE	2.63	5.19	12.06

These calculations show a need for 2.6 positions for Permit processing, 5.19 positions for Plan review, and 12 positions for inspections. The Department is currently only authorized for 2.0 FTE for Permit Technicians; however, the 2.0 Permit Office Specialists assist the Permit Technicians with the processing of the applicants, intake, payments, questions, etc., and as such the Permit Processing function is sufficiently staffed.

In regards to Plan Review, the Department is authorized for 6.0 FTE for direct Plan Review, not including the 1.0 FTE to manage the Plan Review process as well as the

⁴ The annual hours were rounded to the nearest hour for ease of presentation.

⁵ The Breaks / Meetings / Training hours assumes 1 hour of lunch, 2 hour of meetings on average per week, and 3 full days of training per year.

Permit Center. However, the department only currently has 3.0 FTE of these positions. Therefore, based upon current filled staffing levels the Department is understaffed; however, once it fills all authorized positions, the Plan Review function will also be sufficiently staffed.

For Building Inspection, based upon the number of inspections completed last year, the Division needs approximately 12 Full-Time Inspectors. The Department is authorized 15 full-time inspector positions, not including the Inspection Manager. Similar to the plan review function, of the 15 authorized positions, only 10 positions are currently filled. Therefore, based upon the current number of inspectors, the Department is understaffed. However, once the Department fills all of its authorized positions it will have sufficient staff to meet its expected workload needs and accommodate future growth in inspection activities.

Based upon the workload analysis conducted for the three primary functions of the Department, the authorized staffing levels are sufficient to meet the workload needs. However, the Department should move to fill all authorized positions as to not overload the existing staff.

The other staff in Building are primarily administrative support and with the mid-year adjustment for the addition of the Building Official, Administrative Analyst, and Plan Review Manager position there is sufficient administrative and supervisory support within the Department.

Recommendation #3: The Building Division is appropriately staffed if all existing authorized positions are filled. The division recently augmented its staffing with a combination of new positions and the upgrading of temporary positions to full-time in late 2018.

4 THERE IS THE NEED FOR ADDITIONAL PLAN CHECK STAFF IN FIRE PREVENTION TO ACCOMMODATE WORKLOAD.

The Fire Prevention Division is part of the City's Fire Department. The Division is overseen by a Deputy Fire Chief and consists of two separate programs – Fire Prevention Division Administration and Fire Prevention Inspection. The Fire Prevention Division is tasked with not only performing life/safety plan reviews and inspection for development activities, but it also is responsible for administering the City's Certified Unified Program Agency (CUPA)/Hazardous Materials Program. Additionally, the Division also enforces Fire/Life Safety codes. The following table shows the historical staffing levels for the Fire Prevention Division by position title for the past three years:

Position Title	FY17 Budget FTE	FY18 Budget FTE	FY19 Budget FTE
Fire Prevention Deputy Chief	1.0	1.0	1.0
Office Specialist	1.0	1.0	1.0

Position Title	FY17 Budget FTE	FY18 Budget FTE	FY19 Budget FTE
Assistant Fire Marshal	0.0	0.0	1.0
Chief Enforcement Officer	0.0	1.0	1.0
Fire Protection Engineer	1.0	1.0	1.0
HazMat Inspector	2.0	2.0	2.0
Fire Prevention Inspector	3.0	2.0	3.0
TOTAL STAFF	8.0	8.0	10.0

As the table indicates, there was an increase of two authorized positions in the Fire Prevention Division between the FY18 and FY19 budget. The primary increase in positions has to do with returning the Fire Prevention Inspectors back to the original authorized level from FY17 and the addition of an Assistant Fire Marshal position. The Assistant Fire Marshal position was created to oversee the fire plan review and inspections on a day-to-day basis, with the Deputy Chief providing oversight and support for large projects and strategic direction.

As part of the user fee study analysis, the project team gathered time estimate information from the Fire Prevention staff regarding the number of permits and inspections that they process, as well as the average amount of time it takes to review and inspect each permit. The following table shows by major permit category broken out by plan review support and inspection support the annual estimated hours for Fire Prevention Division staff.

Permit Category	FY18 Estimated Annual Hours for Inspection	FY18 Estimated Annual Hours for Plan Review
Annual Operational Permits	1,948	864
Construction Review Permit / Inspection	2,977	3,499
Miscellaneous Fees	46	0
Planning Application Review	0	646
TOTAL ANNUAL HOURS⁶	4,971	5,009

Fire Prevention spends approximately 5,000 hours annually conducting inspections and plan review activities. It is important to note that these estimates are based upon an average amount of time for each review and inspection; in some instances, a particular inspection or plan review may take more or less time than the average.

In order to estimate the number of staff necessary to conduct these inspections and plan review activities, the project team took the annual workload hours and divided them by the net available hours for Fire Prevention Division staff to arrive at the requisites number of Full-Time Equivalents (FTE). Net available hours calculation reduces the annual working hours of 2,080 hours (40 hours per week, 52 weeks a year) by hours for sick leave, vacation, holidays, meetings, and other types of activities during which staff are unbillable. To calculate the net available hours, the project team undertook a comprehensive approach that involved reviewing the City's Memorandum of

⁶ The annual hours have been rounded to the nearest hour.

Understanding (MOU) for different employee groups. The following table shows the calculation the project team used to arrive at the billable hours calculation for Fire Prevention Staff:

Category	Amount (Hrs)
Base Full Time Hours	2,080
Holidays (13 days a year)	104
Vacation (15 days a year)	120
Sick (12 days a year)	96
Breaks / Meetings / Training ⁷	316
<i>Subtotal of Hours to Be Excluded</i>	<i>636</i>
Annual Productive Hours	1,444

The 1,444 Productive Hours represent a productivity rate of 69%, which is well within the typical standard of 65-75% that is seen for most local governments. The following table shows the calculation for number of FTE needed based upon the annual hours calculated and the annual productive hours:

Category	Fire Inspection	Fire Plan Review
Estimated Annual Hours of Workload	4,971	5,009
Annual Productive Hours	1,444	1,444
ESTIMATED FTE	3.44	3.47

As the table indicates, based upon the annual workload for the previous year, there is the need for approximately 3.5 Fire Prevention Inspectors and Fire Plan Reviewers.

It is important to note that prior to the commencement of this project and during this project there were some organizational and staffing shifts within Fire Prevention. The Fire Protection Engineer was promoted to the Assistant Fire Marshal position; however, this left the Fire Protection Engineer position vacant. Additionally, in December 2018, Council approved an additional Fire Prevention Inspector position to the department. Based upon this, the total authorized positions for Fire Prevention increased from 10.0 FTE to 11.0 FTE.

In comparing the 3.44 FTE required for inspection to the 4.0 authorized positions, the Fire Prevention Division has the sufficient number of inspectors to conduct annual inspections, perform new construction inspections, as well as conduct any re-inspections as required by the project. There is also some capacity in the position to provide support to Fire Plan review.

The primary area of concern identified through the estimated FTE analysis is that there is the need for 3.47 FTE for Plan Review and currently there are only 2.0 FTE authorized to perform this function – Fire Protection Engineer and the Fire Marshal. This indicates

⁷ The Breaks / Meetings / Training hours assumes 1 hour of lunch / breaks, 1 hour of meetings on average per week, and 2 full days of training per year.

that there is a deficit of 1.47 FTE for this function and as the Fire Protection Engineer position is currently vacantly, this deficit increased to 2.47 FTE. The 2.47 FTE deficit is currently being absorbed by support from Fire Prevention Inspectors and the Deputy Fire Chief. This issue is being addressed by new leadership to eliminate the use of management staff working additional hours to address workload needs.

The following table summarizes the current situation:

Category	FTE Count
Current Filled Positions to perform Plan Review	1.00
Plan Review FTE Required	3.47
Plan review deficit	(2.47)
Current Filled Fire Prevention Inspectors	4.00
Inspection FTE Required	3.44
Inspection Surplus	0.56
Net Fire Prevention FTE	(1.91)

As the table indicates that even if the “surplus” inspectors are doing Fire Plan Review, there is still a deficit of approximately 1.91 FTE; which, as previously noted is being covered by the Deputy Fire Chief, as well as through overtime. If the Department had all of its authorized positions filled, there would still be the need for an additional plan review position to help support the 0.91 FTE deficit.

Even if the Assistant Fire Marshal continues in their current capacity in serving as a full-time plan checker rather than the day-to-day supervisor for the Fire Prevention unit, here would still be the need for an additional Plan Checker position. The Assistant Fire Marshal should only be providing support for Fire Plan Review and Inspection staff rather than serving as a full-time Plan Checker. Therefore, if the capacity of the Assistant Fire Marshal is reduced to 50% availability for plan review services; there would be the need for 2.0 full-time FTE dedicated to plan check activities.

Therefore, it is the project team’s recommendation that in order for the Division to function with its intended goal, of having the Assistant Fire Marshal function as a support and supervisory position, there is the need for an additional 1.0 FTE at a Fire Protection Engineer classification. The annual fiscal impact of this staff should be offset by the user fees charged for Fire Plan Review and Inspection.

Recommendation #4: The Fire Prevention Division should consider adding 1.0 Fire Protection Engineer. The fiscal impact of this position will be absorbed through Fire Prevention Permit revenue.

5 **ENGINEERING IS SUFFICIENTLY STAFFED TO PERFORM DEVELOPMENT-RELATED REVIEWS BUT SHOULD CONSIDER TRANSITIONING TEMPORARY PUBLIC WORKS INSPECTORS TO PERMANENT POSITIONS.**

The City's Engineering Department has three primary functions – Design and Construction, Land Development, and Traffic Engineering. All three of these functions are involved in the development review process. The Design and Construction division house the inspectors, which ensure that private development projects in the public right-of-way conform with City approved construction plans and standards. The Land Development function regulates right-of-way encroaches and private development in the public right-of-way; they are the plan review component to the Design and Construction's inspection component. Lastly, the Traffic Engineering function is responsible for reviewing traffic impacts upon the City's transportation system due to any proposed private development project. Over the last year, the Department has added positions to develop capacity in handling transportation related reviews and analysis.

The following table shows the historical staffing levels for the Engineering Department by position title for the past three years:

Position Title	FY17 Budget FTE	FY18 Budget FTE	FY19 Budget FTE
City Engineer	1.0	1.0	1.0
Secretary	1.0	1.0	1.0
Assistant City Engineer	1.0	1.0	0.0
Principal Engineer	0.0	0.0	1.0
Associate Engineer	9.0	5.0	8.0
Permit Technician	1.0	0.0	0.0
CIP Manager	1.0	1.0	1.0
Sr. Public Works Inspector	1.0	1.0	1.0
Public Works Inspector	0.0	1.0	2.0
Jr. / Assistant Civil Engineer	2.0	2.0	3.0
Temporary Public Works Inspector	2.0	1.0	1.0
Engineering Aide	2.0	2.0	2.0
Utilities Principal Civil Engineer	1.0	0.0	0.0
Administrative Analyst	2.0	1.0	1.0
Public Information Specialist	1.0	1.0	1.0
Traffic & Transportation Manager	1.0	1.0	1.0
Assistant Transportation Planner	1.0	0.0	0.0
Intern / Temp Staff Assistants	2.5	2.5	2.0
TOTAL STAFF	28.5	21.5	27.0

As the table indicates, there has been quite a bit of organizational and staffing fluctuations in the Engineering Department over the last three years, especially with the transferring of the Utility Engineering function in FY18 to the Public Works Department. There is a strong need for greater coordination and a clarification of the roles and responsibility between Engineering and Public Works staff to ensure that development review activities

are appropriately conducted in a timely and comprehensive manner and provide high-quality services to applicants.

The review and inspection services provided by staff in the Engineering Department are tracked through the City's Private Job Account system. Staff directly codes time spent on development projects. In addition to this system there are two other development-related activities that are not tracked – review of building permits and review and inspection associated with Minor Encroachment permits. The project team worked with staff in Land Development to collect information regarding the average time it takes to process and review these types of services to obtain a comprehensive understanding of the time it takes to review and inspect development applications. The following table shows by major workload area the total estimated hours based upon FY18 workload data.

Permit Category	FY18 Estimated Plan Review Hours	FY18 Estimated Inspection Hours	FY18 Estimated Traffic Review Hours
PJ Account Hours	2,146	3,141	201
Minor Encroachment Permits	48.00	64	0
Building Support ⁸	1,892	0	0
TOTAL ANNUAL HOURS	4,086	3,205	201

As the table indicates, the bulk of the development review activity is associated with Plan Review and Inspection functions, with some peripheral support provided by the Traffic Engineer. The estimated required number of employee support was calculated by taking the annual hours and dividing it by the productive hours for employees within the Engineering department.

The following table shows the calculation for the productive hours for staff in Engineering:

Category	Amount (Hrs)
Base Full Time Hours	2,080
Holidays (13 days a year)	104
Vacation (15 days a year)	88
Sick (12 days a year)	96
Breaks / Meetings / Training ⁹	366
<i>Subtotal of Hours to Be Excluded</i>	<i>654</i>
Annual Productive Hours	1,426

The 1,426 productive hours represents a productivity rate of 69%, which is similar to the other development services functions and in line with the typical productivity of 65-75% seen for other jurisdictions. The following table shows the estimated FTE for the three different development review functions within the City:

⁸ The Building Plan Review support was estimated by taking the number of engineering plan reviews (473 reviews) and multiplying it by the average of 4 hours per building project review.

⁹ The Breaks / Meetings / Training hours assumes 1 hour of lunch / breaks, 2 hours of meetings on average per week, and 2 full days of training per year.

Category	Plan Review	Inspection	Traffic Review
Estimated Annual Hours of Workload	4,086	3,205	201
Annual Productive Hours	1,426	1,426	1,426
ESTIMATED FTE	2.87	2.25	0.14

According to the estimated annual hours based upon workload, average time estimates, and actual time billed to PJ accounts, the development services function for the Engineering Department requires approximately 3 Engineers, 2.5 Inspectors, and less than 0.5 FTE for Traffic Review. Unlike several other functional areas evaluated, the Engineering staff are more diligent in charging to PJ accounts and the data regarding their workload is more accurate and reflective of actual work volumes.

The department's current staffing levels for each of these three services can not only accommodate the estimated annual hours of workload, but any additional increases in workload due to changes in the development activity. The only function where there is danger to exceed capacity is the Public Works Inspection function. Based upon current workload there is the need for approximately 3 Public Works Inspectors and there are currently 3 permanent inspectors with support provided from a temporary Public Works Inspector. These inspectors are responsible for inspecting both private development and Capital projects, and there might be capacity issues handling all these duties. As such the Department should consider transitioning one or both of the temporary Public Works Inspector positions into permanent positions to help account for increased workload and development activity.

The Department should continue to monitor its workload annually to ensure that there is sufficient staff support for performing all development review functions.

Recommendation #5: The Engineering Department is sufficiently staffed to perform plan review, inspection and traffic review functions. The department should consider transitioning the temporary Public Works Inspector position to a permanent position based on the volume of development activity.

Recommendation #6: The roles and responsibilities for development review activities should be clarified between the Engineering and Public Works Department and greater coordination implemented to improve service delivery to applicants.

6 SHOULD CONSIDER DEDICATING STAFF TO SUPPORT INFORMATION TECHNOLOGY EFFORTS AND GIS-BASED DATA ANALYSIS.

Within all of the development services functions there is currently no position that is dedicated to the Information Technology (IT) and Geographic Information Systems (GIS) functions. Staff within each of the departments have been self-training on the use of TRAKiT and GIS functions to help support the development activity. Currently, there is a Sr. Plan Checker position in the Building and Housing Department who serves as the de

facto TRAKiT Administrator for the Department; similarly, in the Planning Department, there is an Assistant Planner who serves in the role of GIS coordinator for Planning support. However, these resources are not sufficient to fully and successfully implement the use of TRAKiT to enable the City to take advantage of the functions of this software. Likewise, these resources are not sufficient to fully and successfully utilize available GIS-based analytical tools to support long-range planning needs.

Due to the nature of the Permitting Software System and the volume of activity within the development services and review function it is critical that there is a system administrator for TRAKiT. Additionally, certain departments such as Fire and Land Development utilize other systems in addition to TRAKiT. There needs to be integration between the two systems to ensure that information is communicated accurately between systems on a singular development project.

The System Administrator position should reside within the Building Department; as they are the primary user and manager of TRAKiT. However, the purpose of this position will be to serve the technological needs for all development functions – Land Development, Fire Prevention, and Planning. This position would be responsible for the following aspects:

- Generating Pre-populated reports in TRAKiT, which staff and Department management can run showing permit volume, types of permit, turnaround times, etc.
- Enabling all relevant City staff (Housing, Code Enforcement, Fire, Land Development, Utility Engineers, Building Inspectors, Planners, etc.) access to the Permitting system.
- Ensuring all relevant modules for the Permitting system are purchased and are “live” – modules for time tracking, project status, etc.
- Ensuring integration of data between different permitting systems in Fire and Land Development with TRAKiT to allow for comprehensive and consistent reporting between systems.
- Enabling there to be integration between the City’s GIS and Permitting Systems so real-time changes are incorporated into online maps as well as for development review.
- Developing and exploring strategic priorities for development services to allow for integration between applications used in the field and the primary permit system.
- Ensuring that all updates to TRAKiT are implemented appropriately.

- Serving as the liaison between the development services functions within the City and the Permit software vendor (TRAKiT) to advocate for the City's needs.
- Support the online application portal (ProjectDox) and ensure integration into the TRAKiT software system.
- Developing a training program for new and existing employees regarding the most efficient way to utilize TRAKiT.
- Exploring possibilities for additional uses for TRAKiT to help streamline the development review process, such as billing for developer-deposits through TRAKiT or integrating it with the City's financial system.

The points discussed above are not meant to be a comprehensive listing of all of the functions and responsibilities for the TRAKiT system administrator. These points are intended to reflect that there is sufficient need within Development Services between Building, Planning, Fire, and Land Development, that a full-time position should be dedicated to those service areas. While it is typical to still have subject matter experts within each department or a "power user" of the system; there should be a singular expert focused on the technological strategic goals and needs of development services, including the GIS-based analytical needs required for effective long-range planning and decision making.

The TRAKiT Systems Administrator could also have the capacity to work with departments and divisions on their GIS needs. While there is the need for significant GIS support in Planning for long-range planning and development-review applications, the development of those types of maps and activities should reside with staff in the Planning Department. The GIS support provided by the Systems Administrator would be in the capacity of ensuring that the City's GIS integrates with TRAKiT and that any updates to either, are implemented to allow Planners to print and develop appropriate maps. Based upon the potential responsibilities and functions identified and the need for technological support for TRAKiT in the City of Milpitas, there is sufficient need for one full-time position.

Even though The TRAKiT Systems Administrator reports to the Building and Housing Director, the position should be funded through the Permit Automation Fund. The Permit Automation Fund is where the City's Technology Fee charged on development review projects is accumulated. The primary purpose of this fund is to support annual maintenance costs for the Permitting system, as well as to build a fund balance to support the eventual purchase of a new or updated system as necessary. As the primary purpose of this position will be to directly and solely work on the Permitting system, it stands to reason that this cost should be funded and supported through the City's Technology Fee.

The project team has conducted an evaluation of the Permit Automation Fee as part of the User Fee Study report, provided under separate cover. As part of this analysis, the

project team calculated two different Permit Automation Fees – one assuming the hiring of a TRAKiT Systems Administrator, and one without. Therefore, if the City were to move forward with this recommendation, the fiscal impact would be completely borne by the development permits and there would be no impact upon the City's General Fund.

Recommendation #8: The City should consider hiring a position dedicated to the IT and GIS needs for Development Services. This TRAKiT Systems Administrator should report to the Building Housing and Director, but should be funded through the Permit Automation Fund.

7 THERE SHOULD BE COUNTER STAFF SUPPORT FOR ALL DEPARTMENTS / DIVISIONS INVOLVED IN THE DEVELOPMENT REVIEW PROCESS

The City of Milpitas' development services currently operates similar to a one-stop shop in that there is one permit counter for all development-related activities. The permit counter is only staffed by Building and Housing Department. A portion of the permit counter is right next to the Cashier and it is staffed by the Office Specialists, who also serves as receptionists for City Hall. Located behind the Office Specialists are the Building Permit Technicians who service the permit counter.

The primary role of the Building Permit Technicians is to accept plans, review over the counter permits, set up project files, route plans, and calculate permit fees. The Building Permit Technicians can currently accept submittals on behalf of the other development services departments (Fire Prevention, Planning, and Land Development). However, the acceptance of the application and the plans are limited only to accepting the plans. There is limited capability within the current position set up for the Technician to provide any additional information regarding other development services departments. Even when accepting plans, the Technician is only taking the plans in; there is no cursory review to ensure that all relevant documents have been attached. If there are any questions or if there is the need for additional information, the Permit Technician will call one of the other department's staff to the Counter to address the potential concerns for the applicant. Similar concerns regarding plan completeness were identified regarding the planning permit submittals and support the need to conduct completeness reviews at intake for all applications.

The Permit Technician in Building and Housing is classified solely as the Building Permit Technician. However, based upon the City's job description, the first example of duty for the Building Permit Technician is to "*process a variety of building/construction, planning, and public works permits and applications for permits in an efficient and timely manner; insure all necessary approvals are obtained*".

Based upon this job description language, the current Building Permit Technician has the potential to play a larger role in the acceptance and processing of permits and applications

for non-Building departments. The only exception is that the current job duty does not include Fire Prevention in the processing of the permits and applications.

In order for the City to truly operate as a one-stop shop for development services, there is a significant advantage to implementing a cross-trained Building Permit Technician position. This position would be cross-trained in all three major development disciplines – Building, Planning, and Engineering; with the potential for Fire Prevention support. The cross-trained technician would not only be able to accept plans and projects for these other departments, as the Building Technicians currently do, but they would even be able to check for completeness of application submittal, because they would be familiar with the application types and requirements, as well as answer any basic questions regarding the process. This type of cross-trained Permit Technician has several benefits such as follows:

- **Improved Customer Service:** Instead of the Permit Technician having to call other departments to the Counter, the developer/applicant can directly converse with the Permit Technician and only if it is a more detailed or project specific question would there be the need to ask for additional staff support.
- **Potential for Career Development:** Many jurisdictions have implemented career or pay incentive programs, in which, as Permit Technicians become cross-trained in more than one discipline, they have the potential to earn more as well as grow in their career. Additionally, being knowledgeable regarding multiple aspects of the development review process allows the Permit Technicians to explore career opportunities beyond just the Building Department.
- **Potential for Quicker Turnaround Times:** Enabling the Permit Technician to conduct the initial completeness check upon submittal of an application, can allow the Permit Technician to inform the applicant regarding any missing items upfront prior to accepting the submission for the project.
- **Consistency in Application Processing and Fees Collection:** If the Permit Technicians are responsible for calculating all of the fees for all development applications there is consistency in the application and calculation of the fees.
- **Potential for Increased Over-The-Counter Permits:** The Permit Technicians can also be used by the other departments to help process standard permits or applications over the counter, such as a Zoning Compliance Letter for Planning, or a Home Occupation Permit review.

As these points demonstrate there are a variety of potential advantages to the City and the development services process with the institution of a cross-trained Permit Technician position.

The bulk of the development activity is building permits; as such the cross-trained Permit Technicians should be housed in the Building Department and report to the Plan Review Manager similar to the Building Permit Technician classification. The cross-trained Permit Technician position should be classified as a Community Development or Development Services Technician. Jurisdictions in which this technician position has been implemented, there is typically a I, II, or III classification to help delineate the number of disciplines in which the Permit Technician is trained. Along with the development of job classification with clearly laid out duties, there will need to be the discussion regarding compensation and the sliding scale of pay associated with increased competency and cross-training across multiple disciplines.

The fiscal impact of this position should be absorbed upon the user fees which are processed by the cross-trained Permit Technician, either in the form of direct time spent processing permits and applications, or as overhead cost and support to the different departments. It will be important to note that while the Building and Housing Department will be responsible for oversight of this position, because they will be processing permits for multiple departments, their cost should be accounted for on those department's permits as well and not just layered on building permit fees.

The creation of a Development Services Technician classification and position should be a long-term objective for the City. Over the next 2-3 years, the City should explore the ability to implement this type of classification and either begin training existing Permit Technicians or recruit for a position that is already cross-trained.

Recommendation #9: In the next several years, the City should implement a Development Services Technician position (cross-trained Building Permit Technician) to help streamline the City's development review process. Upon implementation, the cost of this position should be accounted for in development review fees.

8 A PERMIT NAVIGATOR POSITION SHOULD BE CREATED TO SERVE AS A RESOURCE TO THE DEVELOPMENT COMMUNITY.

Currently there are four different departments involved in the development review process along with several other departments intermittently involved in review and permitting operations. However, there is no single individual responsible for overseeing the entire development review, permitting, and inspection process during the Building phase of the project. During the Entitlement Phase of the project, the Project Planner serves as the primary liaison on the City's behalf for shepherding the project through Planning entitlement. However, there is no such project management during the Building Phase of the development project.

The current environment lacks a staff member who is well versed in all facets of the development process. In order to provide a consistent customer experience, one point

of contact should be provided for development review inquiries, as well as serve as a liaison to the development community, and ensure processes align with adopted and best practices. A Permit Navigator position should be created to oversee the permitting process.

The Permit Navigator would be tasked with understanding the entire development review and permitting process. This would include the following aspects:

- Understand the permitting processes within Building, Planning, Fire, Engineering, and other departments that are involved in the development review process.
- Develop a relationship and contact within each of the supplementary departments to allow for tracking and accountability of the project.
- Serve as the primary point of contact for developers and applicants from inception to completion of the project.
- Work with Economic Development staff to identify those projects which should be provided additional support or expedited services based upon City priorities and more generally to mitigate any permit or development review issues that may be hindering new business activity within the City.
- Lead the monthly Community Development Roundtable (stakeholders) meetings, set agendas, take minutes, manage e-mail communications, and provide any actionable feedback.
- Liaise between the development community and the City.
- Responsible for analyzing and reporting on performance metrics for of development related activities (e.g. review timeliness, inspection completion, number of submittal rounds, etc.).

The list above is not meant to be a comprehensive listing of the duties of the Permit Navigator position. Additional duties that could be absorbed by the Permit Navigator would be to review and revise permitting policies and procedures, train new and existing staff on any changes to those policies and procedures, and serve as in-house resource to City staff (within and outside of development review departments) on the development review process.

Incorporating the position of Permit Navigator will provide a centralized staff member who is knowledgeable of the entire review and permitting process and will help ensure quality control of the process. This is a critical staff member, as they will interact with numerous departments.

The Permit Navigator position should report to the Planning Director, as the primary role of this position will be to liaise with developers which is primarily initiated during the Planning entitlement phase of the project. Additionally, Planning staff are already the first line of contact for the development community. Incorporating this position and other staffing changes recommended in this section will help overall Community Development CSA better manage the development review process.

As this position would directly be related to development permits, this position should be funded through permit revenue. As long as this position's duties are directly related to permitting activities, the full cost of the position would be borne by permit revenues. The position should be considered as overhead and indirect support to the development review process. As such there should be a net neutral impact of this position upon the General Fund; as it should be fully funded through permit fees. If the City were to utilize the position for functions that are not directly related to permitting activities, that proportion of the position's time should be covered through a general fund allocation.

Recommendation #10: Consider creating the position of Permit Navigator, reporting to the Planning Director, to oversee all development review processes and serve as a liaison to the development community.

3. Process and Procedures Analysis

This chapter of the report is focused on improvements to the adopted process and procedures related to the development review and permitting processes. The first subsections of this chapter will focus on improvements that impact multiple functional areas, followed by specific sections related to Planning.

1 DEVELOPMENT OF STANDARD OPERATING PROCEDURES

Throughout the course of this study, there have been several issues that either staff, stakeholders, or the project team observed that indicated the lack of consistent practice within individual departments and/or across multiple operations. Upon researching the root cause of many of the consistency issues, the primary concern is the lack of standard operating procedures or that an applicable policy exists. Additionally, if a standard policy does exist, it was indicated that it likely needed to be updated. In the absence of standard operating procedures and the need to update many existing policies, the project team recommends a robust updating of standard operating procedures (SOPs) related to the development review process.

Examples of SOPs that should be created or updated include:

- Standard onboarding and training procedures for staff involved in the development review or permitting process.
- Standardized training for the applicable permitting, land management, and inspection process for new employees.
- Policies and procedures related to assessing and administering permitting fees. Including specific policies for impact, in-lieu fees, small area plans (TASP), fees etc.
- Standard policies related to the enforcement of conditions of approval or other agreements related to building and planning permits.
- Policy related to the use of outside consultants and plan reviewers. Policy should indicate when this approach is required and procedures on how to coordinate with outside firms.
- SOP related to responding to complaints/issues received and what precipitates involving a supervisor into the situation.

In addition to these City-wide SOPs for the development review and permitting process, it is important that each department/operation involved has their own SOPs related to

how they will complete the workload associated with development review and permitting (e.g. policy for assigning applications to reviewers.) While all departments should have their own SOPs, the following is a small example of relevant Building Department SOPs known to be best practice: same day permits, expedited plan review, expired permits, inspection scheduling, certificate of occupancy, temporary certificate of occupancy, permit extension, and plan routing. Individual policies should be created for all major workload types.

All development related SOPs should be created and reviewed annually. Additionally, SOPs should be distributed to staff upon approval and training should be provided if necessary. SOPs should be readily accessible to all staff. Furthermore, all adopted SOPs should be included on the City's webpage as a reference for the development community.

Recommendation #11: Develop new Standard Operating Procedures for key operational processes. Revise Standard Operating Procedures for processes that are not up to date or relevant.

2 UPON DEVELOPMENT OF STANDARD OPERATING PROCEDURES, A TRAINING PROGRAM SHOULD BE IMPLEMENTED.

After the completion of the development of new SOPs, all staff who are impacted by the policies should receive proper training. As previously referenced in various avenues of feedback, staff indicated they did not know certain policies existed. Due to significant staff turnover in the previous three to five years, much of the institutional knowledge has vacated the organization. This provides the opportunity of the organization to reset the current operating environment and implement new SOPs.

As part of the implementation of new SOPs, management should develop a training program to present the new SOPs to staff. Multiple SOPs are specific to certain operations, but others impact multiple functional areas. SOP training should include both large scale group meetings for organizational wide policies, and smaller, more focused training groups should be used to present new SOPs for specific working groups.

After the initial implementation of new and revised SOPs, it is imperative that staff are provided on-going training, especially when policies are revised. SOPs should be reviewed and revised at a minimum, annually, or as needed (e.g. when a new software program impacts the review process). Upon revision of SOPs, training should be completed prior to the implementation of the new policy.

Recommendation #12: Develop and implement a robust training program for new and revised SOPs. Ensure training for all staff on the revised SOPs prior to implementation.

3 DEVELOPMENT REVIEW APPLICATIONS SHOULD TRANSITION TO A DIGITAL APPLICATION ONLY.

During the course of this study, the Building Department began to accept building permit applications online. However, no other development application type has transitioned to a digital submittal. The project team recommends that all application types transition to digital submittal. Transitioning to digital application submittal should be a gradual process, which Building has already undertaken. While they will continue to accept paper applications along with digital applications at first, the City should transition to digital applications only after the bugs have been worked out of the digital submission process.

The benefits of a digital application process and program include:

- Reduce the number of applicants physically dropping off plans at City Hall.
- Allow staff to manage their daily tasks more efficiently by reducing the number of inquiries at the permit counter.
- Reduce the Permit Technician workload associated with inputting application information into software system.
- Reduce dependence on paper plan sets and associated file storage. Also reduce the likelihood of misplacing paper plan sets.
- Provide digital approved plan sets to inspectors in the field via tablets.
- Applicants can submit their application at their convenience online and outside of normal business hours.

Transitioning to digital application submittal will provide a more efficient approach for both the customer and staff. Also, resulting in a more environmentally friendly approach by reducing the number of trips to City Hall and the paper production of application material. Digital application submittal is considered best practice.

By implementing the permitting software administrator position recommended in the staffing chapter, this will provide a dedicated resource to deploying digital application submittals to additional application types. Management and staff who are knowledgeable about the digital application submittal process should obtain feedback from users who have successfully navigated a digital building submittal. This approach will provide staff with lessons learned and can apply solutions to the building and other subsequent digital applications.

As part of this process to assist homeowners who may not have a computer or internet access, the City should maintain the current computer workstation near the permit center

to provide the ability to digitally submit applications at City Hall. This approach will ensure a strong approach to customer service.

Recommendation #13: Transition to electronic submittal for all development permit applications.

4 HIGH VOLUME APPLICATION TYPES SHOULD HAVE A DEDICATED APPLICATION FORM AND CHECKLIST.

Current building and planning applications found on the City's website are more generic in nature and not specific to a particular application type. While this approach provides a limited number of application forms for the applicant to complete, it does not necessarily provide all relevant information and requirements for various applications. Feedback from the stakeholder meetings indicated the applicant is often confused about the requirements for their applications.

In order to streamline the review process and to reduce the number of resubmittals, applications should include checklists. There are multiple application types and by maintaining only a few application forms, providing a checklist for all permit types would create a lengthy and overwhelming application packet. As such, it is recommended to increase the number of application forms and create ones that are specific to the most commonly utilized and high-volume application and permit types. Creating applications for specific permit types including specific application checklists allows the packet to include the necessary requirements without overburdening the applicant. The online building permit application appears to include a checklist of many of the common application requirements. This approach should be expanded.

Creating dedicated application types versus a more generic form, provides the applicant and staff the ability to confirm the application is complete. Moreover, this approach should be integrated into the digital application platform and should be included as part of the digital submission process for all application types. Requiring the applicant to check off each application requirement based on the application type selected for submittal.

Recommendation #14: Implement more specific applications which include submittal checklists for the most frequently utilized and high-volume application types.

5 PERMIT TECHNICIANS SHOULD ACCEPT ONLY COMPLETE APPLICATIONS.

Feedback received from the various stakeholder meetings indicated that often times they are required to provide additional information/items after submitting their original application. This issue was in reference to "new" or "additional" information that was not

required as part of their initial submittal or had not been required on previous similar submittals.

Furthermore, staff also indicated their concern that some applications they review do not provide the necessary documentation to complete their review of an application. Both of these issues may be addressed by the implementation of a checklist to accompany each application submittal (discussed above). Moreover, these issues may be further mitigated by Permit Technicians completing a completeness check at the time of application submission. If the application is deemed incomplete and not including all application materials necessary to complete the review, the application should be rejected. Conducting a completeness check at the time of submittal will increase the efficiency of the review process and effectiveness of review staff.

To be effective in this approach, Permit Technicians must have extensive knowledge of the application requirements and a general knowledge of how to identify these items (e.g. difference between a site plan and landscape plan). This approach may require additional training and qualification of Permit Technicians.

Requiring Permit Technicians to review each application for completeness upon submittal may be achieved for both paper and digital application processes. A SOP should be developed to address application completeness and rejection criteria and associated timeline with completeness review for digital application submittals (e.g. within one business day)

Recommendation #15: Require Permit Technicians to perform an application completeness check before accepting a new application and only accept applications that are complete and ready for review.

6

ENSURE A THOROUGH FIRST REVIEW IS COMPLETED TO REDUCE THE NUMBER OF COMMENTS IN SUBSEQUENT REVIEWS.

One of the key themes from the stakeholder focus group meetings were concerns over additional requirements being imposed during subsequent reviews for building applications. Second, stakeholders indicated that often times they receive “late hits” or comments that come on the second or third review, when they should have been caught on the first review. Late hits do not refer to issues that are a result of a major design change as part of a resubmittal.

Due to the high work volume and the possibility of extended review timelines, it is important to conduct a comprehensive first review of each application. If the majority of issues are identified during the initial review, then the likelihood of late hits is reduced on subsequent reviews. Also, this approach will allow for a quicker review on resubmittals where the reviewers can focus only on previous comments and the subsequent

redesigns. A comprehensive first review should reduce the number or resubmittals. Thus, reducing the total workload volume for review staff.

Recommendation #16: Provide training to staff to enable a complete initial first review of applications to reduce the number of late hits on subsequent reviews.

7 REVIEW TIMELINES FOR DEVELOPMENT PROJECTS SHOULD BE CONSISTENT BETWEEN ALL REVIEW DEPARTMENTS.

The City does not have consistent plan review times across all review departments. Staff interviews highlighted that the Land Development section has a 20 business day turnaround time for building applications (major applications only). This differs from other review entities that utilize a 30 business day review timeline for these major building applications. To provide a consistent experience and to help balance the workload, all review timelines should be consistent among all review departments.

The Building Department publishes their intended review timeline based on application type on their website. The review timelines are scaled based on the type of application. The simpler the application type, the quicker the prescribed turnaround time. This approach meets best practice. Since the Building Department takes in the majority of applications that are distributed for review, it is important that all reviewers are aware of the published review timelines. Also, the permitting software should be configured in a way that review deadlines are easily identified and staff receive notification that a deadline is pending.

Recommendation #17: Revise review timelines for all review entities to ensure they align with the published turnaround times.

8 ONLY 53% OF ALL BUILDING PERMIT REVIEWS ARE COMPLETED WITHIN THE ESTABLISHED TARGET REVIEW DATE

The project team was provided with three years of building permit data. The building permit data set included the number of reviews by reviewer and timeline information associated with when the application was submitted, review due date, when comments were provided, and the target date for completion. The project team analyzed the average review timeline by review type between 2016 and 2018.

The following table shows the three year aggregate processing times.

2016 – 2018 Building Permit Review Timelines

Review Type	Number	Avg Review Days
Architectural	2,911	11
Civil	237	14

Review Type	Number	Avg Review Days
Electrical	1,717	10
Mechanical	987	10
Outside Consultant	54	14
Plumbing	885	11
Project Coordinator	3,997	16
Recycling Report	39	26
Structural	3,123	7
BAAQMD	3	32
County Health	72	62
Land Development (Engineering)	1,104	20
Fire - Hazmat	426	8
Fire - Life Safety	2,144	11
Planning	1,659	10
School Fee	286	194
Utilities - W/S Ques	91	78

Over the last three years, reviewers generally had strong performance metrics. City reviewers generally averaged less than 20 business days for review. Outside reviewers BAAQMD, County Health, and School Fee each had review times longer than 30 business days.

While the previous table analyzed overall performance over the past three years, the project team analyzed 2018 data to determine if reviewers were meeting processing targets. The information provided to the project team identified pre-determined target dates. These target dates are based upon the Department's published turnaround times.

Reviews Completed on Time – 2018

Review Time Frame	% of Reviews
Review by Due Date	53%
Review 1- 10 Days Late	32%
Review Greater Than 10 Days Late	15%

In 2018, only 53% of reviews were completed early or by their due date. Furthermore, only 85% of reviews were completed within 10 days past their due date. This leaves a total of 15% of reviews completed greater than 10 days past their due date.

The following table shows the total number of reviews by reviewer who were considered late, this table only shows reviews completed by City staff.

Reviews Completed Past Due Date – 2018

Review Type	# of Reviews
Architectural	348
Civil	31
Electrical	252
Mechanical	144

Review Type	# of Reviews
Plumbing	132
Project Coordinator	714
Recycling Report	4
Structural	332
Fire - Hazmat	27
Fire - Life Safety	247
Planning	120
Land Development (Engineering)	127
Utilities - W/S Ques	10

The Project Coordinator had the highest number of reviews completed late. This is not unusual, since they are tasked with compiling all review comments and transmitting to the applicant.

In general, the largest volume of reviews being completed in a lack of timely manner were related to the Building Department. The long review times are a symptom of the lack of filled positions for Plan Reviewers within the Building Department. During the mid-year budget adjustment, the Department requested and received authority to transfer certain temporary positions to permanent positions, but all of the Plan reviewer positions are still not filled. It is expected that once the City fills these positions, there will be an increase in the Department's ability to process plans in a timely manner.

Additionally, as part of the current budget process, the Department has added average turnaround time as a performance measure. Along with this performance measure there should be also a measure of percentage of plan checks that meet the turnaround date within TRAKiT. This will help the Department ensure that even as it reduces general average turnaround times, it is also keeping track of its ability to meet its own targets and goals. Once all the plan reviewer positions are filled it will be especially important to review these statistics to evaluate the impact of staffing shortage on service levels.

Recommendation #18: The percentage of plan reviews conducted in compliance with adopted plan review targets should be added as a performance measure to increase accountability within the Department.

9 TENANT IMPROVEMENT PERMIT APPLICATIONS SHOULD BE STREAMLINED; INCLUDING DEVELOPMENT OF EXPEDITED STANDARDIZED TENANT IMPROVEMENT PLAN CHECK PROGRAM.

While all plan checks require comprehensive review and approval from development-services staff to ensure that the plans comply with City building codes, zoning ordinances, utility requirements, and life / safety codes; there are certain types of plans, which are generally more standardized and can result in an expedited review.

One such type of plan is in relation to tenant improvements. The current tenant improvement plan check review timeline is multi-faceted and is broken down by permit

type and corresponding square footage. Review timeline goals range between 10 and 25 days for initial submittal and 8 to 15 days for resubmittals. In the stakeholder feedback received, stakeholders indicated the desire to have quicker review timelines for standardized interior tenant improvement projects.

Based on current operations and the recommendation to transition over time to only digital applications, the City should undertake two different process improvements to implement a tenant improvement permit program that provides a higher level of service.

1. **Expedited Standardized Tenant Improvement Plan Check program:** This program would involve implementing a dedicated time frame each week (i.e. 1 day a week, 4 hours 2x a week, etc.). During this time frame, applicants could book a meeting with all relevant plan reviewers, to allow for in-person review and changes of plans. It would require reviewers from all applicable disciplines being available to perform an in person review of the application and immediate issuance of comments outlining changes needed or the issuance of a permit if no changes are required.
2. **Establish Shorter Target Turnaround Times for Tenant Improvements:** This program would establish different turnaround timeframes for tenant improvement projects, dependent upon the size of the project and type of tenant improvement.

In both instances, the Department will need to clearly establish guidelines regarding the types of projects, which can be considered eligible to participate in the program. The project team recommends limiting application types that may be reviewed to interior work only (including exterior signage changeout) and projects of 10,000 square feet or less. Limiting the project size and to interior changes only will result in a quicker turnaround time for all applicants while ensuring staff have time and capacity to conduct a thorough review.

The Expedited Standardized Tenant Improvement Plan Review Program, would enable applicants to receive approved plan review applications same day. The development of this program would require the following elements:

- Identifying a day of the week, or several days of the week for this program. Initially, the recommendation would be to start with one day of the week – either Tuesday, Wednesday, Thursday – for greatest staff availability and flexibility for applicants.
- Determine the time allotted for each review. At a minimum each review should be assigned to 2 hours of review time to allow for comments, explanations, and changes.
- Develop an appointment system online, which allows applicants to book available time slots for this application review.

- Ensure there is sufficient staffing in each development-review department so that there is availability on a weekly basis for these review meetings.
- Prior to Plan Review appointment, ask applicant to bring plans to the City for a completeness check. During the completeness check, the primary plan review coordinator will ensure that the applicant has all of the necessary plan elements for a successful expedited review.
- Outline policies and procedures regarding the program, including if the plan is unable to be approved plan within the 2 hour timeframe; the ability to set up follow-up appointments for approval; or book multiple time slots.
- Develop and collect separate plan review fees for this expedited program compared to regular plan check fees.

Implementing these parameters will allow for a manageable workload for staff and provide increased service levels to customers.

In regards to shorter turnaround times, the Building Department should adopt shorter review timelines (than currently exist) for tenant improvement applications. For applications that are under 10,000 square feet and include only interior work, they should be reviewed within two business days. Additionally, the Building Department should adopt more robust review timelines for larger tenant improvement applications. Examples may include a 5 business day turnaround for projects larger than 10,000 square feet (interior only), and projects that are less than 10,000 square feet and include exterior and / or structural modifications. An 8 business day turnaround would be appropriate for projects greater than 10,000 square feet and includes exterior / structural changes.

The following is an example table for tenant improvement review timelines comparing current to recommended review timelines.

Example Review Timeline Comparisons

Project Type	Proposed Size		
	5,000 SF	14,000 SF	30,000 SF
Clinic Upfit - Current Processing Time (In person / digital)	15 days	20 days	25 days
Clinic Interior Upfit - Proposed Processing Time (Expedited)	1 day	N/A	N/A
Clinic Interior Upfit - Proposed Processing Time (Regular)	2 days	5 days	5 days
Restaurant Exterior & Interior Upfit (Expedited / Regular)	10 days	15 days	20 days
Restaurant Exterior & Interior Upfit (Expedited)	1 day	N/A	N/A
Restaurant Exterior & Interior Upfit (Digital)	2 days	8 days	8 days

If implemented, the recommended changes would result in a quicker review timeline for the review of tenant improvement applications.

To provide increased service levels for tenant improvement applications, the Building Department should modify their approach to reviewing and approving this application types. Depending upon the ability of development review staff and the success of this program; there is also the ability for the City to consider implementing a similar type of expedited review program for Additional Dwelling Units or New Single Family / Duplex residential projects. This allows for the City to be at the forefront of ensuring that housing related projects are expedited within the City.

Recommendation #19: Develop an Expedited Program for Standardized Tenant Improvement Plan Reviews to allow for a more efficient and streamlined review process for specific types of interior only tenant improvement projects.

Recommendation #20: Establish shorter turnaround timeframe for Tenant Improvement Applications; such as an Interior TI less than 10,000 sq. ft. should be reviewed within 48 business hours; whereas, perhaps a TI larger than 10,000 sq. ft. interior only should take 5 business days.

10 THE WEEKLY DEVELOPMENT REVIEW COMMITTEE MEETING SHOULD BE REVISED TO FOCUS SOLELY ON THE REVIEW OF APPLICATIONS.

Staff involved in the development review process converge weekly in a meeting that is titled Development Review Committee (DRC). Staff reported that the DRC meeting discusses a variety of topics and does not necessarily focus on the review of development applications. Moreover, some staff indicated that they feel DRC meetings are not an effective use of their time.

A DRC meeting is considered best practice if they solely focus on the review of applications in a collaborative manner. The weekly DRC meeting should be refocused with the intent to discuss development applications under review. To create a streamlined and effective DRC meeting the following actions should be implemented.

- An official agenda should be created and sent out at least three days prior to the meeting date.
- Projects should go to the internal review meeting approximately 7 to 10 calendar days before review comments are due to the applicant.
- Staff should review the application/plan set prior to the DRC meeting and bring comments and concerns that may impact other disciplines.
- Meetings should focus only on the review of development related applications.

- A facilitator should be appointed to lead the weekly meeting. The facilitator should rotate to reduce the burden on individual staff, but also be used to develop skill sets for a variety of team members. Planning generally leads these meetings and the facilitator would rotate between planning staff or be assigned to the Permit Navigator position once implemented.
- DRC meetings should focus only on the review of applications. Other issues/ items such as training should be discussed/held at other designated times.
- DRC should be limited to a maximum of one hour each week, except in rare circumstances.

Incorporating the above approaches will provide an effective and efficient DRC meeting for staff. Also, it will ensure staff are prepared for the meeting and increase accountability in the review process.

Recommendation #21: The Development Review Committee's primary focus should be on the review of development applications.

11 DESIGN STANDARDS AND SPECIFICATIONS SHOULD BE UPDATED.

Staff indicated the current design standards and specifications for land development and utility functions have not been updated in over 20 years. Current and comprehensive design standards, guidelines and specifications are important components of an effective development review process and need to be addressed in the City of Milpitas. Much like other regulatory documents, it is important for design standards and specifications to be current and meet best practice. This is especially important for infrastructure that is intended to last for 50+ years. There have been significant advances in materials and installation practices over the last two decades for infrastructure. Updating standards and specifications will provide many benefits to the development community and the City of Milpitas. These benefits include:

- Improved quality of infrastructure installed and maintained by the City.
- Reduction of maintenance cost over the life cycle of the infrastructure.
- Reduce the likelihood that designers ask for variances to adopted standards and specifications.
- Ability for designers to incorporate the appropriate standard /specification into their plans, thus reducing the need to review all details of adopted standards.

Updating design standards and specifications will further streamline the review process for land development and utility reviewers. Also, the construction inspection process should be more efficient with updated standards. Moreover, it will provide up-to-date and relevant standards and specifications that meet current trends in the industry. Finally, new standards and specifications should provide quality infrastructure that will reduce life cycle cost of maintaining the infrastructure.

Recommendation #22: Update design standards and specifications.

12 PLANNING DEPARTMENT PROCESS IMPROVEMENTS

This subsection will focus on planning specific process improvements that will help streamline the land entitlement process and other planning related operations.

1 Designate a Zoning Hearing Officer to Review and Approve Applications that Currently go to the Planning Commission Subcommittee.

Planning applications are reviewed and approved by a variety of approaches. Applications may be approved administratively by staff, a Planning Commission Subcommittee, Planning Commission, or City Council. Applications reviewed by the Planning Commission Subcommittee, Planning Commission, or City Council take significantly more time to process than applications reviewed by staff. One way to streamline the review process is to utilize a Zoning Hearing Officer as decision-maker of planning entitlement applications recommended below.

A Zoning Hearing Officer is a designated staff member, ideally from the Planning Department who is tasked to conduct public hearings for the review and subsequent approval/denial of planning applications. The use of Zoning Hearing Officer allows a quicker review and decision related to minor planning and zoning applications. The project team recommends the application types that go before the Planning Commission Subcommittee transition to a Zoning Hearing Officer. Application types include Minor Conditional Use Permits, Special Use Permits, and Minor Site Development Permits. Both application types are commonly heard by a zoning officer in California. In addition, it is recommended that at least some, if not all, Site Development Permits and Variance applications currently under the Planning Commission be included under the Zoning officer, similar to more progressive cities in their permit streamlining programs. This recommendation is highly supported by the stakeholders that participated in this study as well as in discussions with the City's Community Development Roundtable.

The benefits of a Zoning Hearing Officer provide greater flexibility and frequency of hearing dates, reduce expenses for the applicant and the City, and reduces the timeline associated with application processing, and the corresponding reduction in permitting costs. Zoning Hearing meetings are open to the public and should be scheduled on a

regular basis (e.g. the second and fourth Wednesday of the month or on a weekly basis). This will allow for a consistent calendaring of meetings and reduce the wait time for the applicant. Transitioning to a Zoning Hearing Officer is beneficial to both the applicant and staff. Upon the implementation of a Zoning Hearing Officer, the City may consider other application types that may be review and approved by this approach versus going to Planning Commission.

Recommendation #23: Designate a Zoning Hearing Officer to serve as the decision making body for Minor Conditional Use Permits, Special Use Permits, Minor Site Development Permits, and at least some Site Development and Variance applications.

2 Provide an Approval Authorities Matrix and Review Process Diagrams on the Planning Department Webpage.

The Planning Department has approximately 15 different permit types that may be issued. Depending on the type of permit application, the approval authority varies between four different entities. Currently, there is no summary of the approval authority by application type on the department's webpage. The only summary of approval authority is found in the adopted City ordinance, Title XI, Chapter 10, Section 64.

The approval authority table found in the adopted code should also be on the Planning Department's webpage. The approval authority table provides important information for potential applicants to understand the review process timeline by application type.

Additionally, review process diagrams should be added to the Planning Department's webpage. The review process diagrams should outline the respective review processes for staff review, Planning Commission, Planning Commission Subcommittee (or Hearing Officer if implemented), and City Council review. Sharing the review process is critical for future applications and sets expectations before most applications are applied for. Second, sharing this type of process provides greater transparency and may reduce the number of inquiries from applicants asking about the status of their applications.

Recommendation #24: Provide an approval authorities table and application review process diagrams on the Planning Department's website.

4. Technology Improvements

Technology is an important tool for innovation and streamlining development-review process. Therefore, it is extremely important to evaluate the current and potential use of technology to further the efficiency and effectiveness of development review. This chapter will address improvement opportunities related to the use of technology in the development review process.

1 CONDUCT A PERMITTING SOFTWARE NEEDS ASSESSMENT

Currently for development review activities, a minimum of three software programs are utilized to track permitting and inspections. The primary software system is TRAKiT, which is used by City staff for review and processing of building permit applications. The software system has the capacity to be utilized to process other development applications, such as planning, land development, and fire prevention, etc. Currently, this system is only being primarily used by Building, with increased usage and utilization by Planning staff.

The Fire Department and Land Development teams utilize different software programs for their specific needs. Ideally all development-related departments would utilize the same software system for permitting and inspections. At a minimum, separate software programs should integrate into the Building Department system which is currently TRAKiT. Additionally, GIS data should be fully integrated into the permitting and land management software program.

The manufacturers of TRAKiT indicate that their program fully supports GIS integration (ESRI). It is unknown if the respective software programs for Fire and Land Development use can integrate into TRAKiT and in some cases whether unique data needs and reporting requirements of these two departments can be fully addressed using TRAKiT. To make a fully informed decision, the City should proceed systematically and conduct a technology needs assessment.

A technology needs assessment allows the City and the various development review departments to determine what software and technology needs are required to efficiently and effectively complete their tasks. A needs assessment should include an assessment of hardware needs (e.g. computers, tablets, monitors, etc.), individual department needs related to the processing and maintenance of development activities including the tracking of current applications, inspections, and license renewals, GIS integration, public access database, and other features the City desires. The needs assessment should also identify potential software applications that can support each department's needs in a unified package or one that has the ability to integrate current software systems used by Fire and Land Development.

The technology needs assessment will identify current gaps in the hardware and software systems deployed by the staff involved in development review. Furthermore, the assessment will determine if the current system can accommodate the needs of all end users. The needs assessment should provide the steps needed to implement the technology recommendations presented in this report and other technology improvements to increase the efficiency and effectiveness of staff.

Recommendation #25: Conduct a technology needs assessment to determine gaps with the current software and hardware systems deployed and identify opportunities for greater integration of all development related operations.

2 A TRAINING PROGRAM SHOULD BE DEVELOPED FOR TRAKiT.

The City of Milpitas currently utilizes a software system called TRAKiT to serve as their building permitting software system. The Building Department is currently the main user of the system and it serves as the database for all building permit and inspection operations. However, other departments involved in the development review process use the software to varying degrees with Planning being the other major user of TRAKiT. The software program is capable of being utilized by all departments for the handling of plan review and inspection activities but the system has not been appropriately configured for handling these functions for some City departments. Additionally, the City should upgrade to the most current version of TRAKiT for access to the latest developments and functionality of the software.

To the extent possible, this system should be used more consistently by all departments and divisions. Where it does not meet the needs of a specific department and they utilize other software there should be integrations or data linkages between the systems to eliminate duplicate data entry and provide a single source of data. The goal should be the use, wherever and whenever possible, of a single permitting system; and only where not possible, through the implementation of more fully integrated systems.

Based on feedback from staff during interviews and SWOT analysis, it was clear that most staff outside of the Building Department have received little to no formalized training for using TRAKiT. The level of training has varied and has been hampered by the lack of a highly knowledgeable and dedicated IT resource focused on supporting and implementing TRAKiT. Previous processes implemented have not fully met the need of all users or been implemented to allow them to customize certain functionalities (such as having project review timeframes differentiated based upon the type of review). Some staff interviewed were not even aware that TRAKiT even existed. This uncoordinated approach to using the permitting software system has created inefficiencies for the development review process.

TRAKiT is a robust permitting and land management software system that includes various capabilities for the intake, review, issuance of permits, and tracking of inspections

results. TRAKiT is the City's de-facto database for all building permit data. The opportunity exists for using the software beyond Building permits and to incorporate other development activities. However, this will require development of a software training program and modification of processes to meet the needs of all users. A software training program should include two elements: initial training for new users and ongoing in-service training.

With the implementation of a permitting software administrator (discussed in the Staffing section), the City will have a dedicated in-house resource for the software. This individual would be tasked with the development of a new user training program. The Administrator will develop the training program in conjunction with existing staff who have significant experience working in the software. The training program should incorporate the following elements:

- Process for creating a new permit
- How to find a permit and relevant application and permit information
- How to review an application electronically within the software system
- How to upload review comments to the system
- How to see other reviewer's comments
- Determine the status of a project (e.g. under review, comments sent, payment pending, permit issued, etc.)
- How to find, query, and search for relevant project management data.
- How to input inspection results.
- Frequently asked questions guide for users and public.

Incorporating the above elements into training will provide a robust general knowledge of the most common action items in the software system. Also, this training should be consolidated into a user guide for the software system and made readily available for all users.

Finally, software training should be provided when new updates are released or processes are updated for the permitting software. This "refresher" training should be provided to staff upon new software updates but also to promote consistency as well as monitoring of data within the permitting software system. For example, training should cover how to use various features of the software such as automation features, setting up cycle time alerts, email alerts, routing projects within the system, closing out a permit,

etc. Initial and ongoing software training is imperative for an effective and efficient use of the software. Refresher training may also be used as a way for individuals to share tips to work more efficiently, but also provide user with the ability to ask questions.

Recommendation #26: Develop a software training program for new users, including a user guide for on-going use.

Recommendation #27: Provide on-going training when new software updates are released or when new process implementation impacts how staff use the software.

2 TRAKiT SHOULD BE USED TO CAPTURE TIME AND COSTS ASSOCIATED WITH DEVELOPMENT RELATED ACTIVITIES.

In order to capture staff's time for reviewing applications (especially Planning applications), staff note time worked on a project on their time sheet and then it is charged to a PJ (Private Job) account. PJ accounts are used to capture review time by application for all review departments and then the account is charged for expenses.

PJ accounts have their own account number and are set up in conjunction with the application. However, review staff and the assigned project manager are unable to proactively monitor PJ accounts charges and balances because PJ accounts are maintained by the Finance Department. Furthermore, when applicants are invoiced for PJ account charges, the invoice does not include the application or permit number or the physical address. The current approach to PJ account adds more layers for Finance and Planning staffs, along with the applicant if they have multiple open permits. Finally, stakeholders complained about receiving PJ account bills several months after their permit was issued. The current approach to having a separate PJ account and permitting software has created significant inefficiency related to capturing and billing of staff's time.

TRAKiT includes a function for capturing staff's time and associated fees. Utilizing the time keeping and reporting features will provide several benefits for staff.

- The project manager can actively monitor account balances and/or current charges.
- A standardized report can be created and run for time charges and fees.
- Automatic alerts can be created when account balances reach a certain threshold.
- Charges and fees are captured in real time versus when time sheets are collected. (Challenges might exist for contracted reviewers such as the contracted City Attorney).

- Generated invoices would include the permit number and address since it is tied directly to the digital permit file.
- Depending on settings, the applicant may be able to track time charges and account balances online through the applicant portal.

To provide greater efficiency, TRAKiT should be utilized to capture staff's time for reviewing development applications. The City should explore options of integrating this effort with other processes such as time sheets to minimize duplication of data entry. Second, TRAKiT can replace the current PJ account system, which currently does not integrate with TRAKiT and is administered by Finance. To accomplish this, the City will likely need to modify additional billing and invoicing processes to replace other functionality of the PJ account system through other software options (such as expanded use of the financial ERP system).

Recommendation #28: Utilize the time keeping feature of TRAKiT to capture time charges for application review.

3 THE PERMITTING SOFTWARE SHOULD BE UTILIZED BY ALL DEVELOPMENT REVIEWERS, EITHER DIRECTLY OR THROUGH DATA INTEGRATION.

As aforementioned, the permitting software system TRAKiT is primarily used for the processing of building permit applications and data. All information related to the application, permit, and inspection process for building applications is stored in the system. Staff who are responsible for development review are provided access to the software. However, outside of building permits, the use of TRAKiT for non-building related activities varies by functional area.

The Planning Department has begun to utilize TRAKiT for their respective applications and will transition to full usage of the system in the near future (including digital application submittal). This transition should include the digitization of all historic planning permit data. The Fire Department and Land Development team only utilize TRAKiT for building permit applications and have their own separate software systems for their designated permits and inspections.

Land Development created an independent inspection scheduling system to accommodate their specific inspection timelines. TRAKiT has the ability to schedule inspections for land development functions, as this feature is currently used by Building Inspectors. To utilize TRAKiT for land development inspections, the software system should be modified to account for land development specific timelines and inspection types. The Fire Department has their own software system that is utilized for many departmental functions including permitting activities. Many of these activities conducted by the Fire Department are not related to plan review and inspections related to

development activities. However, the development review functions should be handled through the TRAKiT system. This is especially critical if TRAKiT is utilized to capture time charges associated with development activity. Ideally, Fire Department annual inspection activity and data should be integrated into TRAKiT, so that City staff in other departments are aware of potential violations or issues that falls under the Fire Department jurisdiction in the event a new application is received.

TRAKiT serves as the database for all building permits and generally includes the majority of electronic record keeping for development activity. It is imperative that all development related staff have access to development data to effectively complete their job. Integration of other departments software systems with TRAKiT will provide seamless services and enhance the tracking of applications and permits. Furthermore, this system integration is an important resource for Code Enforcement staff and Fire Department Inspectors whose involvement on a development project continues well after a certificate of occupancy is issued. All staff need to have access to all development related and ongoing inspection issues for all permitted activity.

Integrating non-TRAKiT software systems with the permitting software will provide all users with data to effectively complete their duties. The City should continue to utilize TRAKiT as the development database for all permitting and inspection activities.

Recommendation #29: Utilize TRAKiT for all development related activities (plan review and inspections) across all departments.

4 ACCESS TO TRAKiT SHOULD BE PROVIDED TO ECONOMIC DEVELOPMENT AND HOUSING STAFF.

Access to the TRAKiT permitting software is primarily limited to those individuals involved in the development review process. Additionally, staff within the Code Enforcement Division utilized the system for their work activities. Discussed in previous sections of this report, staff's knowledge of the software system varies, along with others not knowing it even exists. Regardless, staff in Economic Development and Housing require access to TRAKiT. While these departments are not involved in the review of applications, their work often times intersects with development projects.

For example, Housing staff may need to determine the status of applications/permits/inspections to ensure proper fees have been collected. Economic Development officials may need to research development activities in a particular area. Currently, staff in these functional areas have limited access to TRAKiT and should be granted appropriate levels of access (e.g. read only).

Recommendation #30: Provide TRAKiT access for Economic Development and Housing staff upon completion of the proper training.

5 ALL DEVELOPMENT APPLICATIONS SHOULD TRANSITION TO DIGITAL SUBMISSIONS.

At the beginning of 2019, the Building Department implemented digital building application submittals. This has been a successful implementation and there is a desire to expand to allow digital Planning permit submission. The project team recommends all development applications be submitted electronically moving forward. For digital application submittals to be effective for non-building application types, the previous recommendations related to software training need to be implemented first. This includes proper training for TRAKiT and ProjectDox, which is used to upload electronic plan sets. Additionally, an internal System Administrator needs to be designated and serve in the capacity for an effective change to all digital submissions.

Upon the implementation of a System Administrator, development of training material, completion of staffing training, and development of user guides for additional digital application submittals, the City should expand the types of applications that may be submitted online. The next logical application type would include Planning applications, followed by Fire, Land Development, and Public Works (Utilities). However, for Fire, Land Development, and Public Works, will require additional work to ensure that TRAKiT, ProjectDox and their respective independent software systems are fully integrated and support each other.

Benefits of transitioning to electronic plan submittals is included in the Process Improvement Chapter. Additionally, the more effective use of the permitting system and digital records will enable the City to provide digitally scanned records of past permit approvals loaded into the permit system data base. This ensures that staff have access to all relevant information regarding an address and permit activity.

Furthermore, upon the full implementation of digital application and plan set submittal, the City should transition to digital as-built submission. Currently, the City receives paper copies of as-built drawings which require the scanning of documents. The as-built drawing should be uploaded to the online application portal and attached to the appropriate permit file in TRAKiT.

Recommendation #31: Expand electronic application and plan submittals to all development application types. Ensure that TRAKiT and ProjectDox systems are integrated with any independent software systems utilized by Fire and Land Development before implementation.

Recommendation #32: Transition to digital only as-built drawing submittal and attach to the permit file in TRAKiT.

Recommendation #33: Longer-term, all prior permits and selected documents regarding that permit should be scanned and included in TRAKiT to provide a comprehensive resource regarding prior permitting activities at an address.

6 GIS SHOULD BE INTEGRATED INTO TRAKiT.

It was indicated that the TRAKiT software system does not include access to GIS data layers. This does not meet best practice, which would require incorporating GIS data into the permitting software system. Based on the project team's understanding of TRAKiT, it is capable of integrating GIS into the software system¹⁰.

TRAKiT is designed to serve as a database for all development activity. Integration of GIS will allow staff to be more efficient in conducting their reviews as relevant GIS data will be available in TRAKiT. Ideally, when staff is accessing a particular permit file, the permit address will link to GIS and staff can click once to access GIS parcel data. All applicable GIS data layers should be accessible through TRAKiT.

The integration of GIS into TRAKiT will provide more data in the permitting system and allow staff to be more efficient when reviewing projects.

Recommendation #34: Integrate the City's GIS system into the TRAKiT permitting system.

7 PROVIDE A LINK ON THE CITY'S WEBPAGE SO THE PUBLIC CAN ACCESS DEVELOPMENT PROJECT INFORMATION.

With the implementation of electronic application and plan submittals, this will provide the City with increased capabilities in distributing development information to the community. Citizens often wonder what is happening when they see construction activity in their community. One way to increase transparency and provide information to citizens is through the creation of a webpage that is dedicated to current development activity.

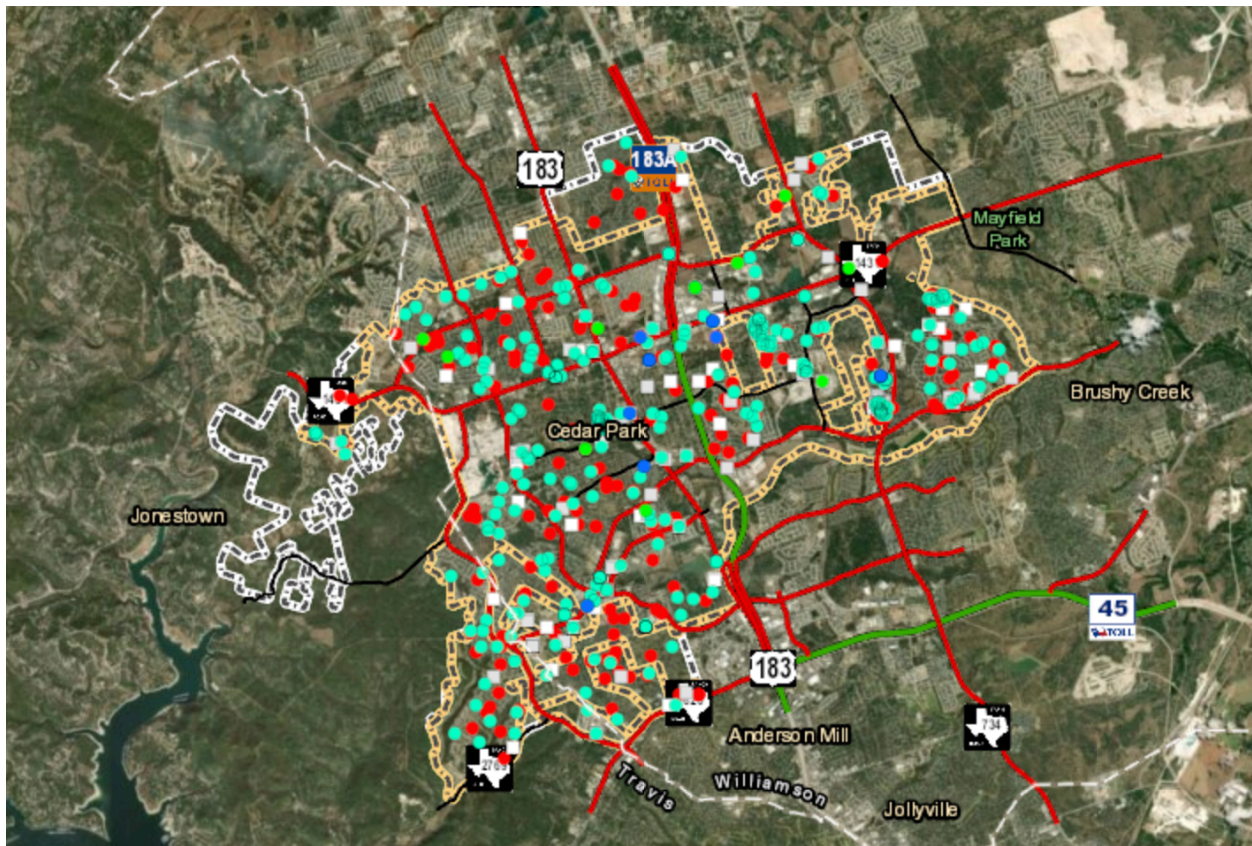
An active development webpage would be searchable by address and ideally an interactive map that a user can search for a specific location. In creating a development project web interface, the following elements should be incorporated:

- Pending, active, and recently completed projects should be available for searching.
- An interactive map should include icons indicating development projects.

¹⁰ (<https://www.superior.com/public-administration/community-development/>)

- Upon clicking on the icon (or parcel), a project summary should appear that includes project type, status (under review, permitted, under construction, completed), brief project description, zoning information, and applicant name.
- Provide a link to additional data such as site plans, exterior sketches, project values, etc.
- Contact information for City staff in the event the user wants to find out more information.

The five elements outlined above will provide the user with relevant project information. For example, The City of Cedar Park, Texas incorporates the best practice elements listed above for their Permitting Activity webpage. The following screenshot shows a screenshot from the webpage¹¹:



As the screenshot indicates this type of interactive online permitting information provides quite a bit of information regarding development activity to both the development community as well as the general public.

¹¹ A link is provided to their online portal: <https://cedarparkatlas.com/atlas.aspx?Section=Permitting>

Another good example of how GIS can be effectively utilized to provide information to the public in a visual format through the use of interactive maps is demonstrated by the City of Henderson, Nevada. They provide data visualizations through interactive maps; examples of which can be viewed at: <https://www.cityofhenderson.com/gis/interactive-maps>. Currently, the City of Milpitas does not have staff resources available or dedicated to developing these types of interactive maps for the public or staff use within Development Services.

Recommendation #35: The City should create a development webpage and interactive map to provide development project information to the public.

6. Fees and Revenue

The City of Milpitas currently assesses and collects a variety of fees and charges as part of its development review process. These fees can be categorized into primarily two types of fees – user fees and development impact fees. As part of the Service Delivery and Organizational Analysis, the project team also conducted a Cost of Services Analysis for User Fees. The results of this user fee analysis have been provided under separate cover to the City. However, the project team also conducted a review and analysis of the fees and revenue sources in the context of processes and collection procedures. The following subsections discuss the primary findings of the project team in regards to fee and revenue-related issues for the City of Milpitas.

1 THE CITY OF MILPITAS SHOULD DEVELOP DETAILED POLICIES REGARDING DEVELOPMENT IMPACT AND USER FEES.

Currently, the City of Milpitas has limited policies in place regarding its user and impact fees. The primary policy in place is the level of cost recovery that is identified through the Municipal Ordinance. However, there are no policies that currently identify the basis of charging certain fees, the types of fees that can be charged, and when and how those fees should be collected. It is a best management practice to have detailed policies in place regarding the types of fees being charged by a jurisdiction, as this ensures that fees being charged are consistent with City objectives and goals.

The project team recommends that the Finance Department should lead the effort, in conjunction with the departments involved in development review, to develop policies regarding each of the types of fees collected during the development review process. For development impact fees, the policies and procedures should include the following components:

- **Time of Fee Collection:** A development impact fee should always be calculated at the Building Permit Phase and be based upon the approved building plans for the project. For example, if the fee is based on number of units, the unit number should not be taken from the planning / entitlement phase, but rather the number of units for which the building permit has been approved. The collection of the development impact fee should occur before final certificate of occupancy is issued on the project.
- **Collection of Fee Revenue:** The revenue from impact fees must be stored in a separate fund from the General Fund.
- **Use of Impact Fee Revenue:** The revenue from impact fees can only be used to fund infrastructure and capital projects, it cannot be used to fund any operational or staffing costs.

- **Annual Increase to Impact Fees:** The policy should identify the cost factor by which impact fees should be increased on an annual basis. This is typically the Construction Cost Index (CCI) as that is the cost associated with materials used for construction projects.
- **Annual Reporting Requirements:** There should be a component in the policy and procedure that clearly states that there are annual reporting requirements for AB1600 / Mitigation Fees that must be done in order to ensure that the City continues to comply with the requirements. It should also identify the Department (Finance or Development Services) that is responsible for conducting the reporting function.
- **Nexus Analysis:** The most important component of this policy should be that there needs to be a nexus analysis conducted every 5 years for the impact fees currently in place by the City.

Developing a standardized policy and procedure for Impact fees will ensure that not only is the City compliant with AB1600 requirements for these fees, but that it is also collecting the appropriate amount of fees from development projects to help fund the impacts to the City's infrastructure.

Along with impact fees, there needs to be a standardized operating procedure for the collection of user fees. Currently, each individual development review department is responsible for collecting and applying their own user fees. A standardized operating procedure for user fees should focus on the following aspects:

- **Time of Fee Collection:** The user fees should be collected at the time of the permit application. For example, if it is an encroachment permit it should be collected prior to work occurring in the public right-of-way.
- **Collection of Fee Revenue:** The revenue from user fees should be coded to the individual departments involved in the review and inspection process. If there are non-general fund departments / divisions involved in the development review process such as utilities, the revenue associated with those plan check and inspection services should be coded in those enterprise funds.
- **Use of User Fee Revenue:** The revenue from user fees can be used to fund staffing and operations for development review activities.
- **Cost of Service Analysis:** The policy should include a provision that every three to five years an external cost of services analysis should be conducted of the user fees. This ensures that the City continues to comply with any state guidelines regarding user fees, as well as that it continues to monitor its costs on a per unit and annual basis, due to any technological or process changes.

- **Annual Fee Updates:** In the interim of the three to five years, between which the external fee study and analysis will occur, the City should adopt a policy identifying an annual cost factor increase for the fees. This cost factor should be tied to the City's own costs for fees, i.e. labor costs or cost of living increases, and should only be applied if there is an increase in costs.

The establishment of both of these policies and procedures document for user fees and development impact fees will serve as a baseline for the City to ensure that it is achieving its established cost recovery goals, as well as ensuring that current and any future staff comply with City and state policies regarding these types of fees.

Recommendation #36: Detailed policies regarding impact fees and user fees should be established, which should include the following:

- ***Nexus or basis for charging fees***
- ***Annual updates to fees***
- ***Frequency of comprehensive updates***
- ***Collection of fees***
- ***Purpose / use of fees***

2 CONSOLIDATED POLICIES AND PROCEDURES FOR PRIVATE JOB (PJ) ACCOUNTS SHOULD BE DEVELOPED

Land Development and Planning are the two development services departments that currently charge the majority of their fees as deposit-based fees. The City of Milpitas refers to deposit-based fees as Private Job (PJ) accounts. While there are a variety of documents available through the City that identify information regarding PJ accounts; there is not a single comprehensive document describing the policies and procedures for PJ accounts.

On the third page of Land Development's published fee schedule (labeled as page 12) there is a whole page dedicated to the description of PJ accounts, as listed below:

"In accordance with Milpitas Municipal Code (Title IV, Chapter 3) a PJ account shall be established and maintained by a developer (applicant) or agent for the purpose of securing the performance of any act or acts as may be required by an ordinance, resolution, agreement, or minute action by the Milpitas Planning Commission or City Council. All PJ accounts are established for permit fees to reflect 100% cost recovery for the services provided within the Planning and Public Works/Engineering Division. A minimum initial deposit amount will be established by staff and must be submitted with a Private Development Authorization application to establish a PJ Account prior to the commencement of work requiring the services of City Planning, Engineering, and Public Works personnel. Some planning applications.

The PJ funds are used for processing the applicant's project by the City at a rate based on the employee's adjusted hourly wage (for employee's labor & benefit expenses plus overhead charges by a factor of 1.55 to cover overhead charges) of \$151 hourly rate for plan check engineer, \$110 for building permit technician as an example of hourly charges. Also, it may be necessary to utilize contract employees for inspection of your project or for other services. In that event, you will be charged no more than what you would have been charged for the City's Senior Public Works Inspector performed the Inspection. Any vender charges incurred are charged to the PJ account without an overhead charge. Public improvements on private development projects will require additional PJ deposits based upon the estimated cost of the work to be performed. This additional deposit will be required at the plan checking stage and prior to execution of development agreements. Additional deposits will be required by the City when a \$2,000 or more deficit balance appears on the account report. Please be advised that City processing of private development projects will cease when a \$2,000 or more deficit balance accrues, until the requested deposit is submitted to the City.

NOTE: The applicant must notify the Engineering Division by letter if the PJ account is assigned to a new property owner / applicant and must also instruct the City to either (1) release rights of the PJ account to the new property owner, or (2) refund the surplus balance after the new property owner has made a required minimum deposit.

If you have any questions regarding this procedure or your PJ account status, please call (408) 586-3329."

The information above and on the previous page was developed in 2009 as part of the last update of the Land Development Fee Schedule. The key pieces of information that are identified in this document have been bolded, but are as follows:

- The establishment of the PJ accounts through the Municipal Code.
- The goal of PJ accounts is 100% cost recovery by the City for Public Works / Land Development and Planning applications.
- A minimum deposit amount must be collected prior to any work performed by City staff.
- The rate utilized in the PJ account will account for salaries, benefits, and overhead charges at a factor of 1.55. *Note: The City has changed its internal practice and is utilizing the employee's fully-burdened rate from the published cost-allocation plan. This information is currently not updated in the policy and on the website.*

- External contracted employees or consultants will be charged at the same rate as City employees.
- Public Improvements will require an additional deposit beyond the initial minimum deposit.
- There is a policy to stop work once the threshold for the project reaches below \$2,000 for project.
- Any changes in the development project, which impact PJ accounts should be communicated with Engineering via letter.
- The contact for PJ Accounts is Land Development Staff.

As the points above illustrate, the information in the Land Development Fee schedule is fairly comprehensive regarding PJ accounts and the process from the City's perspective for these deposit-based fees. As noted in these points, however; some information is inaccurate and not in alignment with the City's current practices.

However, the City also has information regarding PJ accounts on the fee schedule for Planning. The Planning Fee Schedule posted on the City's website became effective January 2014, approximately 5 years after the Land Development Fee Schedule. The following text shows the information listed on Planning's Fee Schedule:

“* Information regarding Private Job (PJ) accounts: The PJ Account provides full cost recovery to the City. The cost for staff time is based on fully burdened hourly rates including overhead. Overhead includes clerical, other support employees, consultants, facilities, equipment and service costs such as legal advertisements.

- *Initial deposit is **determined by staff based on scope of project and typical cost to process that application. Initial deposits are shown above as guidelines and may be modified depending on the complexity of the project.***
- *PJ accounts **are invoiced monthly** and the city will stop **all work if 25% of initial deposit is not maintained.**”*

The Planning information on PJ accounts is substantially smaller but it also identifies some key areas, such as the following:

- PJ accounts are meant to be full cost recovery.

- PJ accounts will be billed on a fully burdened hourly rate, which includes overhead, which is more defined as clerical, support employees, consultants, facilities, equipment, and service costs such as legal advertisements.
- Initial deposits are determined by City staff and can vary from the deposits noted in the fee schedule due to complexity and scope of the projects.
- PJ accounts are invoiced on a monthly basis.
- If the total remaining balance of the PJ account drops below 25% of the initial deposit amount, the City will cease all work.

As these points illustrate, there is some consistency between Land Development and Planning PJ information, but there are also some differences. The planning fee schedule expands that PJ accounts are billed on a monthly basis; however, it conflicts with Land Development in stating that the stop work would occur at 25% of initial deposit rather than balance of \$2,000.

The third City document, which provides information on PJ accounts is the Processing Agreement Form or the Payment Agreement for Development Application Processing. This form was revised in January 2015, approximately, one year after the Planning Fee schedule was effective. The following text is the information included on this document:

*“Applicant agrees to pay **all legal and consultant costs** (including, but not limited to environmental, engineering, fiscal, design review and peer review consultant fees) incurred by the City for review and processing necessary for the subject project, even if the application is withdrawn, not approved, approved subject to conditions, or modified upon approval. **Applicant agrees to make an initial deposit of \$10,000 (or other amount as required by the City) to be applied toward the above costs**, at such time as requested by the City. **This initial deposit is in addition to the deposit collected for typical application processing.** Applicant further **agrees that no Certificate of Occupancy for the project will be issued until all costs are paid.** The City is entitled to recover its costs, including attorney’s fees, in collecting unpaid accounts. Any refund of amounts deposited shall be made in the name of the Applicant, to the address noted for billing information. **Invoices are due and payable within 30 days. City processing of applications will cease when the account balance drops below 25% of the total initial deposit amount.** The total initial deposit amount is the **sum of the deposit for legal and consultant costs and the deposit for application processing.** Applicant shall provide **written notice to the Finance Department in the event that there is a change in Applicant’s interest in the property**, the project or the billing address or contact person for said project. Said Notice shall be **mailed first class certified mail to Finance Manager, 455 E. Calaveras, Milpitas, California 95035.** Applicant shall remain responsible for all*

outstanding costs incurred by City. Applicant agrees to hold City harmless for all costs and expenses, including attorney's fees, incurred by City or held to be the liability of the City in connection with City's defense of its actions in any proceeding brought in any State or Federal court challenging the City's actions with respect to the Applicant's project. This Agreement shall only be executed by an authorized representative of the Applicant. The person executing this Agreement represents that he/she has the express authority to enter into agreements on behalf of the Applicant."

Similar to the Land Development and Planning fee schedule information, this portion of the document also has key information regarding PJ accounts. The following points outline the takeaways from this document:

- Developer is responsible for paying all legal and consultant costs associated with the project.
- Legal and consultant costs should be collected as a separate deposit than the initial deposit for permit processing and the total deposit is the sum of those two deposit amounts.
- The Certificate of Occupancy may be withheld until all final invoices have been paid to the City.
- Invoices must be paid within 30 days.
- All work will cease on a project if the remaining deposit falls below 25% of the initial deposit amount.
- Any changes to the developer's information should be communicated via written notice mailed to the Finance Manager.

Similar to the Planning fee schedule, the Payment Agreement for Development Application Form provides additional information for some items, and information that contradicts other City documents. The key contradiction in this document is the notification to changes in deposit accounts should be communicated to Finance compared to the Engineering Division.

The purpose of highlighting the text and key points from the three different PJ account information documents was to demonstrate that while the City does have written policies and procedures regarding PJ accounts, due to staff turnover, there is lack of knowledge regarding the existence of these documents. There is also a lack of consistency in these documents, as the documents may contradict each other. Finally, there is also a lack of accuracy in some of the language, as policies and procedures have changed but the language in these documents hasn't been updated.

Therefore, the project team recommends the development of a unified consolidated PJ account policy. While there might be some PJ account nuances that vary depending upon the department utilizing the service, generally, there should be a cohesive approach to deposit-based fees. The unified PJ account policy and procedure should be set up along the following template, which has been filled in with some *sample information (should not be taken verbatim and should be expanded upon in order to have a fully comprehensive policy)* to help the development of the policy:

	City of Milpitas	Policy:	XX-XXXX
	Departments: Finance, Building, Planning, Land Development, Fire Prevention	Effective Date:	05/01/19
		Proposed By:	Finance
		Last Reviewed / Revised:	XX
		Revised by:	
	PJ ACCOUNTS (DEPOSIT-BASED FEES)	Approved by:	XX
Policy Purpose:	To document and define the policies and procedures associated with deposit-based fees collected and issued by the City.		
Authority for Deposit-Based Fees:	Per the Milpitas Municipal Code Title VI Chapter 3 – Fee and Service Charge / Revenue Comparison, the City Manager has the authority to adjust fees and charges for full cost recovery.		
Department Responsibilities: Finance	1. Receiving and processing all checks associated with PJ accounts. 2. Assigning all PJ account numbers and disseminating information to all supervisors in the Development review departments, to ensure appropriate charging to PJ accounts. 3. Collecting information from Payroll system regarding PJ charges and inputting into invoice. 4. Calculating fully burdened hourly rates for staff positions. 5. Develop monthly report outlining all active PJ accounts, the total amount billed to date, collected to date, and remaining balance.		
Department Responsibilities: Development Services Partners	1. Collecting initial deposit from applicant including Payment Agreement for Development Application Processing. 2. Charging all time spent on project, including time associated with meetings, emails, phone calls, re-reviews. 3. Reviewing monthly reports provided by Finance to ensure sufficient funds based upon status of project. 4. Serve as the Project Manager for the Deposit-Based Accounts and communicating any non-fee related information to Finance. 5. Provide all contract and legal costs incurred as part of project to Finance staff for billing purposes.		

General Procedures:	1. Development services staff informs developer that their specific project requires a singular initial deposit amount (the singular deposit amount should be inclusive of any initial costs incurred by the City for legal or external consultants). 2. Developer provides staff with completed Payment Agreement for Development Application Processing and Check with Deposit amount. 3. Development Services staff makes a copy of the check and the form and routes original check to Finance staff. 4. Finance staff record receipt of the check and assign a PJ Account # to the project.
Invoice Procedures:	1. Invoices will be issued monthly by Finance for each PJ Account. 2. Invoices will list the PJ #, Project Type(s), the Address of the Location, the tasks performed that month by Department / Position title, the hours per task, the hourly rate, and the total charges. 3. Each new invoice, will summarize project status to date and prior charges, as well as remaining deposit-balance. 4. Invoice should identify the due date of the invoice, and payment procedures.
Invoice Penalties / Late Fees:	If invoices are more than 30 days outstanding, then there can be a late fee. If invoices are more than 60 days outstanding, then all work on the project will be stopped.
Changes to Developer / Applicant Information:	If there are any changes to the developer that is the primary point of contact, the changes should be communicated in written format (email acceptable instead of mailed written notice) to the Project Contact (Planner or Engineer).
Stop Work Thresholds:	The City has the right to stop work on deposit-based projects, under the following conditions: 1. Deposit falls below 25% of initial deposit amount or \$2,000 whichever amount is greater. 2. If there are outstanding invoices for 60 days or more
Deposit Refunds:	The City will be responsible for refunding any unused amounts on a PJ account to the developer after City Council has approved final acceptance of the project. Refunds that are returned due to incorrect information provided by developer, and if the City is unable to refund the deposit shall follow the City's policy for unclaimed checks.
Collection Policies:	The City reserves the right to contact collection agencies to recover any unpaid funds on invoices.
Permit Issuance:	No permit should be issued until all outstanding invoices have been paid by the Developer. Final Certificate of Occupancy cannot be issued until all fees and invoices have been paid.

Definitions	1) PJ Account: Private Job Account is the terminology used by the City for any project that requires a deposit to commence review and inspection. 2) Fully Burdened Hourly Rates: This refers to the cost of a City employee that incorporates salaries, benefits, productive hours, departmental support overhead, and citywide overhead.
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The exhibit of the template for the PJ account is meant to be a sample of a unified policy and procedure document that the City could develop. This document should be developed in conjunction with Finance and development review staff to ensure there is a clear understanding and delineation of each departments' role in the deposit-based process. The information from this unified PJ account that is relevant to developers, such as stop work threshold, invoice information, late penalties, and permit issuance should be the information that is updated on the Payment Processing for Development Applications Agreement Form that the City requires for all deposit-based accounts, as well as any fee schedules for Planning and Land Development Services.

It is important that through this unified policy and procedure, the City has a comprehensive and consistent approach to deposit-based fees. PJ accounts are a great way to ensure full cost recovery for development services, but that cost recovery can only be achieved if the system is being used effectively.

Recommendation #37: A unified PJ Account Policies and Procedure should be developed, clearly outlining the roles and responsibilities of the departments involved in the process, the collection of funds, stop work order thresholds, overall process, etc.

3 PROCEDURES FOR IMPACT FEE AND USER FEES SHOULD BE DEVELOPED AND IMPLEMENTED.

There are no standardized operating procedures in place regarding fee calculation and fee collection for development review applications. The City has adopted fee schedules for the different departments involved in the Development Review process and each department is responsible for the application of those fee schedules. The departments involved in the development review process also have different types of fees, where Planning and Engineering primarily charge deposit-based fees, Building and Fire primarily assess flat fees.

During discussions with City staff and as part of the stakeholder outreach the calculation and collection of fees was identified as a significant area for opportunity for improvement. The current fee schedules for the City of Milpitas are cumbersome, and have limited information regarding when and how certain fees should be applied. Therefore, due to staff turnover, complex fee schedules, and lack of detailed standard operating procedures, fees are being collected and applied inconsistently.

To assist with the issues identified as it relates to collection and application of fees, the project team worked with the staff in the development review departments to modify their current fee schedules. The purpose of this modification was to provide greater clarity to both staff and the applicant. Some examples of the modifications included in the analysis are as follows:

- **Elimination of repetitive fees:** The current building fee schedule lists certain fees such as General Plan Maintenance Surcharge, Re-Inspection, and Re-check fees at the same rate multiple times throughout the fee schedule. The project team worked with staff to develop a separate miscellaneous fee schedule component, in which all of these fees could be captured. This not only streamlines the fee schedule by reducing the number of lines, but also eliminates the possibility of charging the same fee multiple times throughout the permitting process.
- **Consolidation of Fees by Permit Review:** The current fee schedule(s) for the departments piecemeal a lot of the services; however, certain permits must always be performed concurrently. For example, currently the Building Fee Schedule charges separate Mechanical, Electrical, and Plumbing (MEP) fees for New Construction. However, all New Construction projects will always require those plan reviews and inspections; therefore, the proposed fee schedule incorporates the time and cost into the updated fee for New Construction; eliminating the need for extra fee calculations for MEP permits.
- **Conversion to Flat Fees:** The majority of the Planning Fee schedule is deposit-based, and even certain fees that are not deposit-based have the danger of being charged as deposit-based. The project team worked with Planning division staff and reviewed deposit-account information to transition the majority of fees from deposit-based to flat fees. This transition not only eliminates the need for Planners to track time on those types of permits and applications, but also provides developer's a concrete cost for the entitlement phase of the development process.
- **Reworded / Added Clarification to Fee Schedule:** The project team worked with staff in the development review departments to re-phrase or reword certain fee names to more common permit names; as well as adding any extra verbiage to clarify the purpose of the fee. This extra language in the fee schedule is critical to ensuring that not only do the applicants understand the reasoning behind a certain fee or permit, but that anyone in the City administering the permit also understand when and how a certain fee should be applied.
- **Delineated Permits:** While some permits were consolidated because they are always conducted in conjunction with each other, there are other types of fees and services that can be done as stand-alone services and are currently being captured in other fees or services. For example, the Planning Division currently issues Temporary Use permits, but due to a lack of fee for it on the fee schedule,

the staff has defaulted to charging it as a Minor Conditional Use Permit or Minor Site Development Permit. For greater clarity and consistency, it is being recommended that a separate fee for this type of permit be added to the fee schedule.

The changes referenced above were proposed in conjunction with discussion with City staff as well as by comparing the City's current and proposed fees to other fee schedules within the Greater Bay Area.

While these changes will assist Permit Technicians and City staff in processing and implementing the proposed fee schedules, the project team is also recommending the development of a user guide for the collection of development fees. The user guide will serve as a "do's and don'ts" of fee collection and will ensure that all development review staff (individual departments as well as Permit technicians) are appropriately charging and collecting the fees for the services that they are providing. The following section indicates the Do's and Don'ts sheet that was developed for Fee collection:

Do's of Fee Collection:

- ☐ Check to see that the fee amount calculated by the Permit system matches the fee amount on the adopted City fee schedule.
- ☐ Check to see that the appropriate surcharges for General Plan (building fees only) and Technology surcharge have been applied on the fee.
- ☐ Check to see if any development impact fees apply – that they have been calculated and are added onto the permit fee.

Don'ts of Fee Collection:

- ☐ Charge flat fees as deposit-based fees. Flat fees should be a one-time charge to any project.
- ☐ Charge deposit-based fees as flat fees. Deposit-based fees require initial up-front collection, and then billing against the deposit rather than collection of fees and no follow-up administrative work.
- ☐ Charge for additional plan reviews and inspections unless instructed by Department Director with proper verification that existing reviews and inspections have been exhausted.
- ☐ Charge permit fees + mechanical, electrical, and plumbing fees, if the permit fee already includes the time and effort associated with the mechanical, electrical, and plumbing fees.

The Do's and Don'ts of Fee collection is meant to serve as a reminder to anyone collecting fees for Development Review Services to check these items. The items will ensure that the City collects all of the fees that it should be collecting, and that it does not run into

issues of inconsistent charging, as every development review fee collector will be following the same do's and don'ts.

In addition to the generic standardized document, the project team also worked with Building Department staff to develop a user guide for their proposed fee schedule. Due to the significant modifications made to the fee schedule, this user guide will ensure that Permit Technicians and City staff are aware of the changes of the fee schedule and apply it consistently across all development projects. This user guide will be a more detailed version of the do's and don'ts checklist, with examples by permit types and has been provided to staff under separate cover from this report.

Recommendation #38: The City should develop standard operating procedures for fee collection and application by adopting a do's and don'ts checklist for fee collection.

4 UPDATE PERMIT FEE CALCULATORS / SAMPLES ON THE CITY'S WEBSITE IN COMPLIANCE WITH CURRENT AND PROPOSED CITY FEES AND DEPOSITS

The City of Milpitas currently publishes a variety of types of projects and proposed fee calculations on the City's website. These calculations are shown by common types of development projects for Building fees only. For Planning, Fire Prevention, and Land Development, the fees are only shown as the fee schedule, rather than by type of development project.

The presence of fee calculator(s) or fee calculations by sample project type on the City's website mitigates questions from the developers or an applicant regarding the scope of fees they should expect for their type of development activity within the City. Additionally, having these permit fee calculators reduces the burden on staff for calculating fee estimates for the developer or applicant, as they can refer them to the website, and / or ensure that the system's total fees are in line with the permit fee estimator or calculator.

As aforementioned, only Building currently has such a system in place. To improve consistency across the development review process, Planning and Fire should also add to the sample project types for Permit Fee Estimators or calculators. While Land Development should also include a Permit Fee Estimator, the majority of its fees are still deposit-based, and as such the estimates should primarily be done for any projects that would be eligible for flat fees. Additionally, any projects that span multiple departments and would be subject to multiple fees, should show not only the fee for the primary department, but any additional fees that could be assessed by supporting departments.

The permit fee estimators currently on the City's website for Building Permit fees do not match the City's current adopted Building Fee Schedule. For example, the website currently requires for Re-Roof permits a valuation cost for the project; however, the

current fee schedule charges a flat fee for Re-Roof permits and there is no valuation-based calculation. Furthermore, even after inputting estimated valuation amounts, the Permit Fee Calculator or Estimator does not provide an estimate for Plan Review and Inspection Fees. The lack of permit fee estimate generation seemed consistent throughout most of the forms posted on the City's website for Building permits.

As there has been a significant change in the City's building fee schedule, the City should update all of the sample permit fee calculators and estimators on the City's website to be in accordance with the City's adopted fee schedule for those services.

Recommendation #39: The City should update its online permit fee calculation samples to incorporate examples of Planning, Fire, and Land Development Permits. The existing building permit samples should be updated based upon the adopted fee schedule.

5 CONSIDER TRANSITIONING DEVELOPMENT RELATED SERVICES INTO AN ENTERPRISE FUND(S)

The primary development-related functions for the City – Planning, Building, Land Development, and Fire Prevention – are all currently housed and located within the City's General Fund. The only exception to this is that the Utilities Engineering development review and inspection process is housed in the Utilities Enterprise Fund.

The concept of an Enterprise Fund is that any revenue collected by that fund, can only be used to support the appropriate services provided by that fund. It cannot be used to fund operations, services or expenses unrelated to the purpose of the fund. For example, if Fire Prevention becomes an Enterprise Fund, any revenue generated by Annual Occupancy Inspections can be used to specifically fund additional inspectors as required to complete those inspections.

The following table outlines the key aspects of General Fund and Enterprise Funds:

General Fund	Enterprise Fund
Revenues are put into a singular funding pool that encompasses taxes, fees, fines, and surcharges.	Revenues are put into a singular funding pool that is specific to the enterprise or business rather than the General City.
Is related to services that primarily have a public benefit such as Police – Patrol, Fire – Suppression, Parks and Recreation.	Is related to services that have a specific benefit such as – Building permits, Fire occupancy inspections, Water Services, Sewer Services, etc.
Revenues can be used to fund any activity that is property-tax funded, as revenues from Parks and Recreation can be used to fund additional Police officers.	Revenue can only be used to fund the activities specified by the Department(s) within the Enterprise Fund; revenues for fire inspections can only be used to fund fire inspection related costs or staffing needs.

General Fund	Enterprise Fund
	The fund must be self-sustaining; revenue must always offset expenditures. Any excess revenue can be used for reserves.

As the table indicates, the primary difference between a general fund and enterprise fund is that the Departments / Divisions that are enterprise funds have greater flexibility in the use of the revenue that is generated. Any excess revenue generated by the fund can be used for reserves or to offset any proposed increases, but it is revenue that is truly realized by the Department. As part of the comparative survey, the project team asked jurisdictions to provide information regarding if development services within their City are enterprise fund(s). The following table shows the responses by jurisdiction:

City	Is an enterprise fund established for development services? If so, which functions are included?
Dublin	No
Fremont	Yes, Planning, building, and engineering.
Livermore	No
Mountain View	Yes. Building, fire, and some planning and public works functions are included.
Palo Alto	No
San Mateo	Yes, Building, Fire, Planning, and the development services functions of Public Works
Santa Clara	No
Sunnyvale	Yes - Building, Planning, Public Works

Of the eight agencies surveyed, four have development services as enterprise funds and four have them as part of the General Fund. Therefore, while it is an emerging trend in the Bay Area, there are still several cities, which have development activities within the General Fund. If Milpitas were to consider transitioning development services to Enterprise Funds, it would be part of the growing trend within the area, considered to be a best practice and supported by the participating stakeholders.

While transitioning to an Enterprise Fund will require development services to be self-sufficient; this self-sufficiency does not have to be solely dependent upon fee revenue. There might still be the need for transfers or subsidies from the general fund to account for items such as fee waivers (for hardship and natural disasters), discounts, and / or policy choices to subsidize certain fees to encourage compliance with development codes and regulations. Per state rules and regulations, these conscious subsidies and policy choices could not be funded by over-charging other permits and fees; therefore, a gap would exist. The development of an enterprise fund, would not preclude the City from having those policies, it would just require the City to be conscious that having those policies would require support from general fund in the form of a transfer.

As the City works towards continuously improving and streamlining its development review processes and services, the City should consider in the mid-term the possibility of transitioning one or all development-services to Enterprise Funds. By encouraging Development Services to operate as an Enterprise Fund, they will not only have greater flexibility in the use of their revenue sources; but they will also be required to have a greater understanding of their costs for service.

Recommendation #40: Development Services activities should be transitioned from a General Fund to Enterprise Fund(s) over the next several years.

6**DEFERRED REVENUE FUNDS ARE CRITICAL FOR BUILDING PLAN REVIEW AND INSPECTION SERVICES**

The City of Milpitas currently has a policy in place for a Deferred Revenue Fund for building permits. The building permit fee is typically collected prior to construction; however, it is meant to account for all inspections that would occur during the construction phase, until the final issuance of the Certificate of Occupancy. Sometimes these inspections can all occur within a single fiscal year; however, typically the inspection process can last for several years. Therefore, to account for the inspections that are occurring in the years following the payment of the building permit, there is a practice in place to set aside excess revenue collected by building for a Building Deferred Revenue fund.

The Building Deferred Revenue Fund is meant to offset the cost associated with the inspections occurring in the years following the primary fee collection. This concept ensures that developers are appropriately paying for their fair share of inspection costs through the building permit phase.

Currently, the City only has this policy in place for Building Permit fees. However, both Fire Prevention and Land Development staff conduct inspections during the construction phase of the project. Land Development inspection staff recover for their inspection time and cost by billing developers directly for any inspection time through a Private Job (PJ) Account. Fire Prevention inspections operate similar to Building Permit inspections in that the Fire Permit fee is collected initially; whereas, the inspections may occur for several years.

To be consistent with the practice for Building permits, the Finance Department should also establish a deferred revenue fund for Fire Prevention Permits. This will ensure that any excess revenue collected by Fire Prevention for Building Permit projects can offset the costs associated with those inspections occurring throughout the life of the project.

Recommendation #41: A deferred revenue fund for Fire Prevention should be established to be consistent with the deferred revenue fund for Building.

7 FEE REVENUE SHOULD BE AUDITED TO ENSURE APPROPRIATE AND ACCURATE COLLECTION OF FEES

Each development services department is responsible for charging and collecting their appropriate fees. However, during the building plan check and permit phase, the Permit Technicians are responsible for calculating and providing the applicant with the total fees to be paid (Building fees, impact fees, any cross-departmental fees, etc.). Currently, there is no practice in the City for there to be an audit of the fees collected by development departments. The purpose of an audit would be to check the following items:

1. The correct fee type was applied – i.e. plan check for plan check, inspection for inspection
2. The fee amount applied was accurate – i.e. it matched the City's adopted fee schedule or that the appropriate set of plans was used to calculate the impact fees.
3. Any cross-departmental fees (fire, planning, land development) are charged with the permit issuance.
4. There is no collection of flat fees on top of deposit-based fees.
5. Any extra plan checks and inspections are documented to be above and beyond the original plan check and inspection service levels.

The audit checklist items are similar to the do's and don'ts of fees, and the purpose of the audit would be to ensure that the Permit Technicians and / or any other position collecting fees in the City are appropriately charging and collecting those fees.

As the City issues approximately 4,500-5,000 building permits a year, auditing each permit would be a significant amount of workload. Additionally, as many of these permits are low dollar value, there is limited cost benefit analysis associated with auditing each permit. Therefore, the project team developed a criteria that would trigger the audit of a permit – any project, whose development footprint is greater than 50,000 sq. ft. In the last fiscal year there were a total of 13 permits (plan check and inspection) for this type of project; as such it would not be a significant amount of workload. Any project that is greater than 50,000 square feet would imply a large development project, which could have the potential to have a significant amount of fee-related revenue, as well as development impact fees (i.e. TASP).

While it is possible to require that any project in this scope should just require two separate staff positions to calculate all relevant fees; the City does not issue any permits until fees have been paid. Instituting this type of requirement would further prolong the development process. As such, within 10 business days of permit fee payment, the fees collected should be audited. The audit would ensure that any and all fees collected are

appropriate, if there are any over-charges or under-charges, then the City can ensure that prior to Certificate of Occupancy issuance, the City can either collect the remaining fee revenue or refund incorrect revenue collection.

The collection of additional fees or refund of monies due to fee recalculations as part of this audit should be documented in a written policy and shared with developers / applicants whose projects would qualify for this audit. This will ensure that the applicant is aware that due to this audit there may be the need to pay additional fees as part of this project. The applicant should also be informed that this audit would occur within 10 business days of fee payment to ensure that any miscalculations are caught significantly early in the development process.

The audit of the fee revenue should primarily be conducted by the Administrative Analyst II proposed during the mid-year budget adjustment process. This is the same position that is responsible for assisting with budget development, performance measures, and revenue support. Therefore, it seems appropriate that the revenue auditing function should fall within this position's purview.

Recommendation #42: Fee revenue (user fees and development impact fees) should be audited within 10 business days of initial fee payment by the Administrative Analyst II position for any development projects that are greater in scope than 50,000 sq. ft.

8 THE FAST TRACK / OVERTIME PLAN REVIEW SHOULD ONLY BE CHARGED ON AN OVERTIME HOURLY BASIS

At the beginning of March 2019, the City of Milpitas issued an application and procedure document for Fast Track / Overtime Plan Review services for development projects. The City has always offered Overtime or After Hours Plan Review services, however, the purpose of this document and application was to provide some additional guidelines and clarifications regarding this process.

Due to the extreme influx of development activity, as well as only 53% of building plan reviews being conducted on time, there has been an increased demand for expedited or fast-tracked plan reviews. The concept of expedited or fast-tracked plan reviews is that these plan reviews are performed in a shorter turnaround time. The only way to perform fast-tracked reviews in a shorter turn-around time without adding additional staff is to either perform the review after hours, so as to not impact other already existing application workload, or to utilize an external / third-party consultant.

Based upon the City's outlined form, the intention of the City is to perform these services on an overtime basis. There are some conditions that must be met in order for the project to qualify for expedited services, which have generally been outlined on the City's application form.

This form also outlines the City's draft fees to be collected for fast-track / overtime plan review services. In the state of California, there are several propositions that prohibit cities and local governments from charging more than it costs to provide a service. The user fee study, provided under separate cover, will provide additional legal authority and background for these regulations. The expedited and fast-tracked program also falls within these parameters.

In reviewing the City's form for Expedited review, the project team recommends altering certain language and verbiage on the form. There are several areas of concern for the project team as described below:

- **Fee Processing:** Currently, the form states that the overtime plan check fees are in addition to the normal plan check fees. Due to the rules governing user fees in California, the City cannot charge both a regular plan check fee and expedited or overtime plan check fee. The City can choose to charge the developer or the applicant the overtime plan check fee based on the overtime hourly rate, but it cannot charge both plan check fees.
- **Fee Refunding:** The form states that the overtime will be performed based upon availability of personnel, but there is no discussion regarding any refunding of the overtime fee for those individuals or review types if those reviews are not fast-tracked or done on overtime.
- **Overtime Rates:** The application procedure lists the overtime hourly rates for the four different reviews – Building, Engineering, Planning, and Fire. The hourly rates listed do not correspond with the hourly rates (other than Building) listed on the current adopted fee schedules for those departments. As such, there is no reference or current fee schedule (other than Building) for where these fees can be tied to in regards to authority and adoption from City Council.

Due to these areas of concern, the project team would recommend that if the City would like to offer this service, it should revise the Overtime / Fast Track Plan Check form to follow California rules and regulations regarding fees and applicability of fees. The City should only charge developers on an hourly basis in accordance with overtime rates. There should be no charging of the plan check fee and the overtime plan check fee. Additionally, if there are any review staff that do not have the capacity to perform this review outside of normal business hours in any of the reviewing departments, the City should not offer that application for expedited review, so as to not charge for overtime services when the result will still be the normal turnaround time.

This type of program can lead to creating high service delivery expectations, which based upon current staffing levels may not be possible. Based upon these recommended procedures, the City may also want to confer internally to determine if it currently has the

staffing capacity to offer overtime and expedited reviews, when its unable to meet its established timelines with its current staffing levels.

Recommendation #43: Fast Track / Overtime Plan Review should only be charged based on City Council adopted overtime hourly rates on the fee schedule and there should be no additional plan review charges beyond the overtime hourly rate times hours billed to a project.

Recommendation #44: The City should not offer expedited review if there is a lack of staff overtime availability in all reviewing departments.

Appendix A: Best Practice Assessment

As part of the Service Delivery Fee Study for Development Services for the City of Milpitas, the Matrix Consulting Group conducted a Diagnostic Assessment of the Development Review Process, encompassing Building, Planning, Fire Prevention, Land Development, and Finance. The purpose of this analysis was to obtain an understanding of how well development services within the City meet best practices.

The following subsections introduce the Diagnostic Assessment, highlight key strengths, identify opportunities for improvement, and provide the detailed diagnostic matrix of best practices for functional areas involved in the development review process.

1 Introduction

This interim report represents an important step for the project team to report on initial key findings and opportunities related to the development review process for the City of Milpitas. In order to make the assessments of operational strengths and improvement opportunities, the project team utilized a set of best management practices against which to evaluate the various operations and processes of development review.

The project team utilized a variety of data collection and analytical techniques to compare current operations against measures of effective operations in municipal organizations. This best management practices assessment provides measures of operation for major functions with the development review process. The best practices consist of:

- Statements of “best or prevailing practices” based on the study team’s experience in evaluating high-performing municipal operations.
- Statements of “best practices” or “recommended practices” or performance targets based derived from national professional service organizations (such as American Planning Association, International Code Council, etc.).
- Identification of whether the particular unit meets these performance targets.

The diagnostic assessment is one of several tools that will be used to identify recommended reforms. Following completion of this analysis, it will be used along with information obtained from stakeholder surveys and workshops, an analysis of peer communities, feedback from the City, and data analysis by the project team to develop a final set of recommendations.

2 Key Strengths

Although, the Diagnostic Assessment is designed to largely identify improvement opportunities, it is also an opportunity to identify elements of the process that work well. Some of the key strengths for the City of Milpitas as it relates to development review include:

- The City has adopted review timeliness for development related applications and turnaround times are posted on the City's website.
- The Building and Planning webpages include a wealth of information related to the development review process.
- Staff are readily accessible to customers and public via the counter and email.
- Building and Planning review comment letters provide consolidated comments to the applicant.
- Building permits may be applied for online and the applicant may track the review process online.
- Building permit data is available to the general public through the online permitting system.
- Host Community Development Roundtable meetings to solicit feedback from developers on a regular basis.

As the points above indicate, the City is already meeting a variety of best practices, specifically as it relates to building and planning permits.

3 Key Opportunities for Improvement

The comparison of the City's current approach to best management practices also identified some key issues. Some of the most notable issues are listed below:

- The Building Department is the primary user of the permitting software system, and all reviewers utilize the system for building permit processing. However, the Fire Department and Land Development staff utilize their own software systems for their respective permits and inspections. Furthermore, Planning staff utilize the permitting software system to various degrees. Planning should utilize the permitting software for all applications. There is no single integrated system.

- Workload volumes have created challenges for Building Plan Checkers to consistently complete their reviews within posted review timelines.
- Fees are applied inconsistently by departments, which results in lack of quality control of revenue collected. This includes the potential of both under and over-collection of revenues. A procedural checklist should be established for permit technicians to ensure that fees are applied correctly, for example, impact fees should be applied at the building permit phase and utilize information from approved building plans.
- The City has not had a comprehensive review of its impact fees or user fees on a department-by-department basis to have documented and defensible nexus for the establishment of those fees.
- The PJ Account system is cumbersome, manual, and while monitored by Finance staff for billing purposes it is not monitored by Planning or Land Development staff to ensure that there is sufficient funding to complete the projects. Additionally, staff do not consistently charge time to PJ Accounts.

The points indicate that despite meeting a variety of best practices, there are still significant opportunities for improvement for the City as it relates to development review processes.

4 Detailed Diagnostic Assessment

This section provides an initial overall assessment of current operations and processes and identifies initial opportunities for organizational and operational improvements. The assessment is presented in a checklist format. The checklist identifies whether current practices do or do not meet the target. Descriptions for improvement opportunities are included in the last column of the table. The issues identified in this review will be analyzed further by the project team, leading to the development of the draft report.

This diagnostic assessment of best practices is broken down into the major subsections of: Management and Administration; Customer Information and Interaction; Processes; Technology Utilization; and Finance.

Best Practice / Operational Target	Meets Target	Does Not Meet Target	Improvement Opportunity / Notes
Management and Administration			
The City has goals, objectives, and performance measures for permitting activities.	✓	✓	Planning is currently developing key performance measures.

Best Practice / Operational Target	Meets Target	Does Not Meet Target	Improvement Opportunity / Notes
Managers routinely review performance (speed, efficiency) of the permitting process.	✓		
Managers and staff have access to clear and accurate reports showing current workload, timelines, and other measures of performance.	✓		
There are well-documented policies and procedures in place to govern the actions of employees.	✓		
The department has backup plans and succession plans in place in the event of absence or departure of key staff.	✓		
Customer satisfaction with each phase of the development process is monitored.	✓		A customer satisfaction survey link is provided on the Building Department's webpage.
Staff are providing with on-going in-service training opportunities for their professional development.	✓		
Internal staff training is provided on new features within the permitting software system.		✓	There is no ongoing training for already established staff on TRAKIT and its capabilities.
Customer Information and Interaction			
The City provides easy-to-understand and attractive guides to the planning, building permit, inspections, and Certificate of Occupancy process.	✓		This includes how to guides and step by step instructions on how to navigate the newly implemented online application portal.
The City's web site includes a virtual "one stop shop" that provides an overview of all permitting requirements and links to permitting requirements by department or division.	✓		

Best Practice / Operational Target	Meets Target	Does Not Meet Target	Improvement Opportunity / Notes
All development staff are available at a single, easy to access location.	✓	✓	All development staff are located in City Hall. However, some staff are located in separate suites and / or on different floors. Permit counter serves as a one stop shop, but Fire, Planning, and Land Development do not staff the counter, but are available as needed.
The City reaches out to the business and development community through periodic communications.	✓		Community Development roundtable was started in Fall 2018 to engage the development community.
The City regularly obtains input from the business and development community on issues related to development review and permitting.	✓		
The City's policies and website clearly identify what applications can be approved administratively versus approval by Planning Commission and City Council.	✓	✓	Some approval authority is online, but located in the City's adopted zoning ordinance and not summarized clearly on the Planning's webpage.
The City provides clear and comprehensive checklists identifying all items required to be submitted for each application type.	✓	✓	Building and Planning utilize a generic, multi-use application that does not include submittal checklists. However, application checklists for building permits is found on the "Procedures" webpage.
Submittal deadlines and public hearing meeting dates are published online.		✓	Develop a submittal deadline calendar that includes when the application may go to Planning Commission, if there are no comments or changes necessary.
The City's long term plans and land development code are available on-line.	✓		

Best Practice / Operational Target	Meets Target	Does Not Meet Target	Improvement Opportunity / Notes
The City's adopted ordinance, regulations, and design standards are available and up-to-date online.	✓	✓	Standards are available and online. However, some standards and specifications (e.g. Land Development and Utilities) need to be updated. Staff indicated they are in the process or developing a timeline to update standards and specifications.
Processes			
Permitting intake staff are certified permit technicians.	✓		
Permit technicians review applications for completeness at time of submittal.	✓	✓	This is only true for building submittals. For any other submittals, the permit tech will either take in the application as is, route to the specific department or call the relevant department staff to the Counter. Planning staff do not review applications for complete submittal
The department uses a case management approach to review site plans, land disturbance, and building permits.	✓		The assigned Plan Checker or Planner serve as the project coordinator for respective projects.
Preapplication meetings are held for major projects.	✓		
Review timelines are posted on the City's website.	✓		Adopted timelines vary depending on application type. Also, resubmittals are processed faster than new applications.

Best Practice / Operational Target	Meets Target	Does Not Meet Target	Improvement Opportunity / Notes
Adopted review timelines are met consistently.	✓	✓	Due to workload volume and staffing vacancies, the Building Department has had issues with meeting adopted timeliness, especially for larger projects. Planning staff generally meet the 30 day completeness review.
Review timelines are uniform across all review departments.		✓	Most timelines are uniform for larger projects (30 days), but Land Development has a 20 day review timeline.
A formal Development Review Committee is responsible for ensuring that plans address all City requirements.	✓	✓	There is a DRC meeting held each Thursday, however they do not specifically focus on application review. They cover a wide variety of topics. The Transit Area Specific Plan (TASP) meeting is not held on a regular basis. Resulting in challenges associated with application review coordination for projects in this area. Also, issues have been noted related to the collection of specific fees for TASP applications.
All review comments are incorporated into a single comment letter and distributed to applicant by project manager.	✓		
Review comment letters are consistent in their approach, format, and information provided.	✓		For building applications, comment letters are auto-generated in the software system and maintain consistency.
Project review / comment letters provide reference to checklist and / or code reference.	✓		

Best Practice / Operational Target	Meets Target	Does Not Meet Target	Improvement Opportunity / Notes
Plans are reviewed concurrently to avoid delays.	✓	✓	If the plan set requires Public Works Utility review, they are generally reviewed towards the end of the process as they may receive the plan from Engineering – Land Development after their initial review versus receiving the plan set directly upon submission.
There is a clear and consistent approach to coordination efforts between City reviewers and outside review agencies.		✓	There is no consistent approach nor policy and procedures related to coordination with outside reviewers. Staff use independent discretion on coordination with reviewers.
For re-submitted plans, reviewers focus on ensuring that comments have been addressed, not issues that should have been brought up in initial review.	✓	✓	Focus groups indicated they receive new comments upon resubmittal, especially for Building permits.
A process is in place to prevent numerous resubmittals.	✓	✓	There is currently no limitation on number of resubmittals. There is also no resubmittal fee after certain number of plan checks or reviews to encourage developers to ensure all conditions are met in the initial reviews.
Approval authorities for planning and zoning permits are clearly stated and simple permits are approved administratively.		✓	The city code includes a chart identifying the approval authority. Staff has broad approval authority for a variety of application types.
Conditions of approval are issued with the permit where applicable.	✓		Primarily utilized for planning applications.
Applicants can track their permit application on-line.	✓	✓	Building applications only.

Best Practice / Operational Target	Meets Target	Does Not Meet Target	Improvement Opportunity / Notes
Staff reports to the Planning Commission and City Council are thorough and include staff recommendation.	✓		Staff reports to Planning Commission are thorough and meets best practice.
Simple permits (e.g., basic electrical, mechanical, and plumbing permits and minor building alterations) can be issued on the spot with no review, subject to inspection	✓		The online permitting platform allows for online submission and issuance of simple building permits.
Customers are given an approximate time to expect their inspector.	✓		
Applicants can request building inspections up to 5 pm on the day before; next day inspections are available for 100% of requests.	✓	✓	98% of inspections in December 2018 were conducted next day. There is no limitation on the number of inspections that can be requested for one day. Fire Inspections take approximately 10 business days to be scheduled.
An automated voice-activated or online inspection request system is utilized to receive inspections with linkage to the permit information system.	✓		90% of building inspections in December 2018 were scheduled online or by IVR.
Combination reviewers/ inspectors are used to reduce the need for duplicate inspections at a single project.	✓		
Inspectors conduct between 12 and 18 inspections per day.	✓		
The department charges a re-inspection fee to encourage builders to make sure work is complete and ready to inspect at time of inspection.	✓	✓	There is no identified service level in the existing fee schedule, resulting in inconsistent charging of re-inspection fees.

Best Practice / Operational Target	Meets Target	Does Not Meet Target	Improvement Opportunity / Notes
Zoning inspections are completed before the certificate of occupancy is approved.		✓	Zoning inspections are not completed regularly. Spot audits have determined that some conditions of approval are not enforced uniformly.
There is a clear policy and procedure requiring Departments / Divisions utilizing deposit-based fees to review monthly tracking reports on deposit accounts.		✓	Staff are provided monthly tracking reports from Finance regarding deposit accounts. These reports are not reviewed by the Project managers at the level of detail necessary to tell Finance to either continue billing for a project or stop billing once a project has been finalized or completed. A clear procedure needs to be established which identifies the roles of each City Department / Division in the deposit-based process, including who is responsible for opening the account, stopping work, continuing to bill, or closing the account.
A procedure checklist for application of different types of fees should be established and distributed to the permit technicians.		✓	The checklist should clearly identify when each fee type should be collected, what is the basis for the specific fee type (i.e. master fee schedule, impact fee, number of units, etc.) and at what phase of the process the fee should be collected.
Technology Utilization			
Applicants can apply, pay for, and receive permits, some instantly, using an on-line portal.	✓	✓	Started on January 2, 2019 for Building permits only. Plan is to add Planning permits in the near future. This is not an option for Fire or Land Development applications.

Best Practice / Operational Target	Meets Target	Does Not Meet Target	Improvement Opportunity / Notes
Applicants and city staff can look up status of a permit, including comments from reviewers, on-line or using the software.	✓	✓	The general public may also search by property address to see current permit activity.
Permit tracking software is used to manage the permit intake, review, and issuance process as well as related inspections.	✓	✓	The Building Department is the primary user of the permitting software. All reviewers have access to the system to upload building permit review comments. Fire and Land Development utilize additional software programs for their respective permits and inspections. Planning only utilizes the permitting software system for Building applications consistently. Staff do not consistently use TRAKiT for planning applications.
All plan review comments are entered into the system and available to other reviewers, permit techs, and applicants (via the front end).	✓	✓	Other departments and disciplines don't always use TRAKiT to record comments, but Building will try to enter all comments into TRAKiT.
The permitting system electronically routes applications to all reviewers, who can also electronically approve, disapprove, and provide comments.	✓	✓	This practice is met for electronically submitted building applications. Paper applications are distributed, but the workflow is assigned to respective reviewers in the software system.
The city is moving towards a paperless system for all stages of permitting and development review.	✓	✓	Implemented for building permits on January 2, 2019. There are no plans for Planning, Fire, or Land Development.
Final approved plans are submitted in PDF format and attached to the permit record in the permitting software.	✓	✓	As-builts may still be submitted via paper. Paper copies are scanned then attached to the permit file.

Best Practice / Operational Target	Meets Target	Does Not Meet Target	Improvement Opportunity / Notes
The permitting system generates clear, user friendly reports on permitting activity which can be posted to the internet.	✓		Building staff have created numerous reports that may be generated.
The permitting software has the ability to capture time associated with a particular permit application.	✓	✓	This feature is only available for Building Applications as it relates to inspections. This feature is not available for Planning, Fire, or Land Development projects.
The permitting software is utilized to track employees time spent on a permit application.		✓	TRAKiT may be used in lieu of current financial software to track employees time spent on application review.
Development staff has access to applicable GIS layers.	✓	✓	The current GIS system does not integrate with TRAKiT and staff is required to use two different systems.
The general public can look up zoning information, flood zones, and other pertinent information using Web GIS.	✓		
Inspectors enter inspection results and correction items in the field via tablet and have it instantly available and viewable on-line.	✓	✓	Building Inspectors have the capacity to access permit information and record inspection results via tablet in the field. Land Development / Public Work Inspectors have created their own software system not connected to Building permits.

Best Practice / Operational Target	Meets Target	Does Not Meet Target	Improvement Opportunity / Notes
One software system is utilized for all permitting, inspection, and code enforcement functions in the City.		✓	The Fire Department utilizes Fire Maker Pro for their respective permits and inspections. Land Development is in the process of creating an internal system to track their inspection workload. Currently, Code Enforcement does not have access to TRAKiT and cannot effectively track current development projects and / or permits. Housing does not have access to TRAKiT and cannot provide review or comments effectively to ensure compliance with inclusionary housing ordinances.
Permitting software users are provided with new user training upon hiring with the City.	✓	✓	New Building Department employees are provided with initial software training. Non Building Department staff are not provided training for permit software training.
Finance			
Fee scheduled is published online.	✓		
The Finance Department is responsible for actively tracking all deposit accounts on a monetary basis.	✓	✓	The Finance department is responsible for tracking and monitoring the deposit-accounts only from the financial perspective. The Departments / Divisions conducting the review and inspections are responsible for monitoring the accounts from a project status perspective.

Best Practice / Operational Target	Meets Target	Does Not Meet Target	Improvement Opportunity / Notes
The PJ Account system utilizes a blended hourly rate for positions, rather than a specific rate by individual.	✓		It is the top step rate, but it is one rate for each position type. There are no separate rates charged if contracted staff are used.
The hourly rates utilized by Finance for PJ accounts are fully burdened hourly rates and account for salaries, benefits, productive hours, and departmental and citywide overhead.	✓		The rates calculated by Finance involve the top step and adds the departmental and citywide indirect rates to arrive at the fully burdened hourly rate. These rates should be reviewed at the beginning of each fiscal year to ensure that they incorporate all costs.
There is an established cost recovery policy for each department.	✓		The municipal code identifies cost recovery goals for each major service area.
The Fee schedule is annually updated.	✓		It is annually updated based upon a cost factor. This cost factor should be either labor-cost increase based or based upon Consumer Price Index (CPI) factor. However, this factor should only be applied, once there is an established baseline for the fee schedule, which ensures that any and all fees assessed by the City are following state regulations.
The City has a Master Fee schedule, which lists all development related fees in one area.		✓	There are separate fee schedules for each department, and some are posted online, and some are not.
The City has developed an online fee calculator for developers to calculate their fees.		✓	There is no online fee calculator that shows all user and impact fees that could be applied to a development project.

Best Practice / Operational Target	Meets Target	Does Not Meet Target	Improvement Opportunity / Notes
Support from different partner departments are captured in one fee rather than multiple fees on the fee schedule.		✓	There is limited information available regarding the services and departments that are accounted for on the current fee schedule.
The City hires an external consultant to update their fee schedule every 3-5 years and to ensure that the City meets all nexus conditions per State law requirements for User Fees and Impact Fees.		✓	The City has not had a comprehensive review of its fees conducted by an external agency for more than 5 years. Historically, departments have updated their own fee schedules, with lack of documentation regarding the basis for existing fees for service as well as nexus studies for Impact fees.
The deposit system and permitting system are integrated.		✓	There is no integration between the PJ system and the permitting system.
There is an established threshold at which additional funds are collected.	✓	✓	There is an established threshold of 25% of original deposit, but there is no enforcement from Finance or Planning / Land Development regarding ensuring that additional funds are collected at that point in the deposit process.
Finance produces monthly reports regarding deposit accounts.	✓	✓	While Finance produces and sends these monthly reports to staff in Planning and Land Development, there is not consistent follow-up between Finance and Planning / Land Development staff regarding the status and payment collection of these projects.

Best Practice / Operational Target	Meets Target	Does Not Meet Target	Improvement Opportunity / Notes
Staff from Planning and Land Development review the monthly reports to ensure that there is sufficient funding to complete the project.		✓	There is no formalized review conducted by Planning or Land Development staff regarding the PJ Accounts to ensure that there is sufficient funding for all the steps left in the project.
Fees are applied consistently and at the correct stage of the process.		✓	Due to the complexity of the fee structure there is some confusion regarding when certain fees are applied. Sometimes fees are taken as deposits, when they are meant to be flat fees, and vice versa. There needs to be consistent application of fees – user and development impact fees.
Impact Fees are assessed at the Building Permit Phase and incorporate the information from the final approved building plans.		✓	Impact fees should always be assessed at the Building Permit phase, as that is when the final building permits have been finalized including the final count of residential units or square footage for commercial projects. This ensures that fees are collected based upon the appropriate measure.
The City reestablishes nexus and infrastructure requirements for impact fees every 5-10 years.		✓	The City should review all of its existing impact fees to ensure that the current fee structure accounts accurately for the projected growth of the community.
Impact fees only include the cost associated with infrastructure and equipment. There are no staffing or operational costs built into the impact fees.	✓		The City should continue to ensure that in the future, per AB1600 requirements, that impact fees only include costs associated with infrastructure and that no staff cost or operational costs are built into the impact fee calculation.

Best Practice / Operational Target	Meets Target	Does Not Meet Target	Improvement Opportunity / Notes
The City generates annual reports on Impact Fees and spending from impact fees on projects.	✓		
There are policies and procedures associated with deposit accounts.		✓	There are no documented policies and procedures associated with PJ accounts.
Revenues are kept aside in separate accounts for development projects that last multiple years.	✓		Finance has a deferred revenue account for Building Plan Check and Inspections.
Revenues are deposited into the fund(s) from which the services are provided.	✓	✓	Any impact fee revenue must be deposited in a separate fund specific to that Impact Fee. Similarly, General Plan Maintenance Fee and Technology Fee should be recorded and collected in a non-general fund account. Any revenue associated with services provided by general fund departments such as building or fire services should be retained in the general fund, unless a separate enterprise fund is created for those services.
There is quality control done on revenues collected and fees charged to ensure that all appropriate fees are charged and at the right time.		✓	There is no mechanism currently in place to check to make sure that all fees are being charged and applied appropriately. This lack of quality control can result in both the over collection of certain types of fees (contract inspection costs + building permit costs) or the under collection of fees (TASP fees collected at the building permit phase based upon the approved building plans rather than planning phase plans).

For all areas where the City is not currently meeting the identified target will be reviewed and further analyzed to determine appropriate modifications in practices, staffing or technology with specific recommendations included in the final report.

Appendix B: SWOT Analysis

As part of the Service Delivery Fee Study for Development Services for the City of Milpitas, the Matrix Consulting Group conducted a Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis. The purpose of this analysis was to obtain an understanding of development service operations within the City.

The following subsections provide greater detail regarding the setup of the SWOT Analysis, the Strengths, the Weaknesses, the Opportunities, the Threats, and the overall summary.

1 INTRODUCTION

The Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis was conducted in the format of a group meeting with representatives from all departments and divisions involved in at least some aspect of the development services process. There were approximately 13-14 participants in the SWOT meeting the following departments: Building, Planning, Fire, Land Development (Engineering), Public Works, Economic Development, and Finance.

The format of the meeting was an open forum structured to focus on each of the four elements of the SWOT: Strengths, Weaknesses, Opportunities for Improvements, and finally conclude with any Threats to implementing those improvements. All departments were encouraged to provide input and feedback based upon their experiences with the City's process.

It is important to note that there was a wide variety of position types represented, as well as, varying longevity with the City represented at this meeting. Participants ranged from division managers to front-line staff such as inspectors, and staff tenure with the City varied from less than one year and to over 20 years. This type of diversity in the group ensured that a variety of perspectives were provided for the analysis.

The focus of the SWOT analysis was the development review process, which could include items such as staffing levels, organizational structure, departments / divisions involved or not involved in the process, processing times, technology, workflows, and interdepartmental collaboration. In addition to the development review process, staff were also asked to provide input regarding the fees charged by the City for the development review process. The fees discussion included topics such as current fee amounts, ease of applicability of fees, when fees are charged, invoicing for fees, collection of fees, and distribution or disbursement of fee revenues. Together these two components enabled the project team to obtain a comprehensive understanding of the City's needs and concerns regarding the development review process.

2 STRENGTHS

The first element discussed in the analysis were the strengths associated with the development process within the City of Milpitas. The intent of this discussion was to focus on any element within the city that would be considered as something that is done really well and enables city staff to have pride in the work that they perform. The following points outline the strengths identified by City staff in the SWOT discussion:

- Collaboration and communication between City departments during the development process.
- Accessibility to the public and developers during the development process.
- An efficient permit center, including office specialists that are able to direct applicants and customers appropriately to City staff.
- Flexibility with scheduling inspections or meetings with developers.
- New staff in the development process to allow for new ideas.
- Commitment to constant internal improvements in the process.
- Ability to process certain permits online.
- Ability to schedule inspections on the same day.
- Building Inspector Apprentice Program – a way to incentivize less experienced individuals to be involved in the development process and become inspectors.
- A case manager from Planning is assigned for the entire entitlement phase, providing a point of contact for the developer to get information regarding the status of their case or application.

As the above points illustrate, staff were able to identify several strengths as it relates to the development process. These strengths primarily related to staffing expertise, flexibility, and the ability for departments to collaborate with each other. During the discussion itself, the departments and divisions were able to build off of each other's statements to clarify some of the strengths discussed above.

3 WEAKNESSES

The next step in the analysis was the identification of weaknesses within the development process. The purpose of this exercise was to have staff consider areas where there are

deficiencies either related to the process, staffing resources, or the ability to provide the desired service level. The following points outline the weaknesses identified by City staff:

- The level of accessibility and flexibility of City staff is sometimes too extreme and can be detrimental to the overall defined process, as staff go above and beyond the existing process to meet the needs of developers.
- Provision of accurate workflow and processing timeframes based upon increased workload, rather than providing developers with the standardized turnaround times, knowing that those times may not be achievable.
- New staff means increased time associated with onboarding and training them on the development processes utilized by the City.
- Lack of accurate, appropriate, and consistent use of TRAKiT.
- Lack of understanding of when and what fees should be charged.
- There is no clarity or consistency within the Private job (PJ) Account process. This includes what is billed, whose time is billed, and what activities were performed for those charges.
- All departments / divisions are different in their record keeping and how they track their development comments.
- Need to ensure that all staff follow the development process and don't make exceptions.
- Inconsistent webpages and information throughout the City's website, especially as it relates to development services.
- There is a disconnect that exists between the approvals done throughout different steps of the development process. The disconnect exists between items that may have been approved in earlier versions and may be disapproved or rejected in later reviews. Some of this is due to staff turnover.
- High staff turnover, and lack of sufficient staffing resources.

The above points illustrate that there are a variety of weaknesses identified by staff within the development review process. The majority of these weaknesses are related to inconsistent following of established procedures that may indicate the need for internal staff training on the following: TRAKiT, the PJ account process, the development review process, and charging of fees.

4 OPPORTUNITIES

Once staff had identified the weaknesses, the project team worked with staff to discuss opportunities for improving those weaknesses or correcting the issues identified in the weaknesses portion of the discussion. The following points summarize the opportunities for improvements identified by the group:

- Improve staff training on items such as development processes, timelines, routing, commenting, use of TRAKiT, and PJ accounts.
- Update TRAKiT or allow use of additional capabilities in TRAKiT for most efficient use by all departments / divisions involved in the development process.
- Continue the close collaboration and communication between departments / divisions to ensure that the City is presenting a united front when it comes to development comments.
- Link permit history from TRAKiT and GIS into one system, so that GIS is updated based upon permits pulled.
- Eliminate PJ accounts as much as possible and transition to flat fees for ease of application and accounting of time and effort.
- Streamline the development process to be as efficient as possible, including exploring options of more efficient use of TRAKiT or another system.
- Develop clear submittal guidelines and train staff internally on those guidelines to ensure that there is consistency in application of development rules.
- Fund additional positions through fee revenue.

The opportunities for improvement identified in the points above vary in the ability to be implemented, with items such as staff training that can be implemented much more immediately to other more complex items such as streamlining the development process or linking permit history from TRAKiT with GIS. These opportunities for improvements identified addressed most, if not all, of the weaknesses highlighted in the SWOT analysis.

5 THREATS

The last portion of the analysis was the discussion regarding threats, which refers to identifying any impediments or roadblocks to implementation of the opportunities for improvement already identified by staff. The following points summarize the impediments or threats to successful development services operations:

- Current PJ system designed by a retired consultant. While this individual is still available to the City to make modifications, there is no in-house ability to modify this system.
- Consistent application of development rules and message should be provided by City staff at all levels.
- Succession Planning – there is no succession planning or training of backups.
- Lack of sufficient staffing resources to complete workload in timely manner and conduct training sessions for employees.
- Employee retention – there is high staff turnover, which means training and retraining employees is constantly occurring.

The threats discussed by city staff are all major issues and sources of concern for the development review process. Any recommendations for improvements must consider these obstacles towards ensuring appropriate and efficient implementation.

6 SUMMARY

Overall, the SWOT analysis conducted by the project team provided a forum for City staff and the project team to obtain a more collaborative and comprehensive understanding of the City's development review process. The discussion was open and honest by City staff, and due to the variety of levels and longevity of staff, there was also some historical context provided to many of the current practices within the city. The results of the SWOT analysis will be critical in benchmarking Milpitas against other communities, as well as in the overall staffing, organizational, and process analysis for development services within the City.

Appendix C: Comparative Assessment

As part of the Matrix Consulting Group's study of the development services and permitting functions in the City of Milpitas, the project team conducted a comparative survey of other local municipalities in order to gather benchmark data on their staffing and operations. The comparable municipalities were selected from among cities in northern California with similar demographics and were discussed and approved by City of Milpitas staff. This document shows the responses gathered from these organizations.

1 SURVEY SUMMARY

To provide some contextual information regarding the Cities surveyed, the project team collected information regarding the 2017 population estimates for each of the jurisdictions. The table below shows the 2017 population estimate for each of the eight comparable cities surveyed, as well as that of Milpitas.

Municipality	Population
Dublin	60,939
Fremont	234,962
Livermore	88,232
Mountain View	81,438
Palo Alto	67,178
San Mateo	104,748
Santa Clara	127,134
Sunnyvale	153,656
Milpitas	78,106

Milpitas' population is near the low end of the range of comparable cities. Six of the eight cities surveyed have a larger population.

While a more detailed discussion of the survey's findings can be found in the body of this analysis, the following points summarize some of the key takeaways derived from the responses gathered.

- Milpitas' staffing and expenditures in Building Permitting/Inspections and Fire Prevention and Plan Check, as well as Engineering / Public Works are similar to those of comparable municipalities for its population size. The City is leanly staffed in the Planning function compared to peer cities.
- Overall the City allocates lower levels of funding and personnel to Development Services and Permitting, which is aligned with the smaller population size of the City compared to other municipalities.

- Milpitas, like many other municipalities, lacks a formalized cost recovery policy. Milpitas does have cost recovery targets established in its municipal ordinance.
- Milpitas receives planning applications and issues encroachment permits at lower rates than other cities, but its building permit volume slightly exceeds them.
- Milpitas staffs its permitting center similarly to other cities (with permit technicians or a queue system requesting staff from other departments / divisions to show up at the counter) and uses a similar type of permitting software. However, the City does differ by not staffing fire services at the same counter as all other development review services. The City also communicates with applicants and handles expedited and third-party reviews similarly.
- Milpitas issues no Fire or Engineering permits over the counter, whereas some peer municipalities do. Like most comparable cities, Milpitas has begun to accept some online building applications.
- Milpitas makes planning application decisions similar to other municipalities, but the hearing officer plays a smaller role.
- Milpitas offers more lenient inspection scheduling deadlines than its peers, and unlike most comparable cities, primarily does all inspections with in-house staff. There is the ability to utilize contracted inspection in some large developments on a case-by-case basis. Milpitas also has an inspector apprentice program, which is unique among comparable cities.
- Milpitas' published target plan review turnaround times are longer than those of most comparable municipalities published turnaround times.
- Milpitas handles deposit-based fees similarly to most comparable municipalities, although it is among the few with specifically adopted written policies regarding these fees.

The following sections delve into specifics on the development services and permitting functions within these cities, specifically their financial, operational, policy, and personnel approaches to providing services.

2 BUDGET AND STAFFING

The following sections outline the published budget and staffing figures for each comparable municipality for development services and permitting. These figures were gathered from published documentation available from each city, such as budgets and organizational charts. While providing a generally complete picture of the fiscal and personnel allocations in each city, some instances of missing or unavailable data exist.

For this reason, the findings of this exercise are best interpreted by comparing Milpitas to the general common trends of peer municipalities, rather than the specific figures of any one city.

1 The Building Permitting and Inspections Function in Milpitas Is Funded and Staffed Differently Than Peer Municipalities, but There Is No Comparative Reason to Believe Resource Allocation for the Function Is Out of Line.

The following table shows the budget and staffing allocation in each peer city surveyed for the functions of building permitting and inspections. It is important to note as Building Administrative positions were included for Milpitas, the project team for consistency also included those same positions for the comparative jurisdictions.

City	Budget	Staff	How many building permits are issued per year?
Dublin	\$3,510,038	7.5	470
Fremont	\$10,723,065	46.3	7,500
Livermore	\$3,305,496	15	3,318
Mountain View	\$5,024,801	18.25	4,199
Palo Alto	\$5,036,724	17.28	3,099
San Mateo	\$5,102,720	13	4,234
Santa Clara	\$9,050,661	37.9	8,053
Sunnyvale	\$3,847,430	17.25	5,800
Average	\$5,700,117	21.6	4,584
Milpitas	\$5,385,291	25	4,978

Milpitas spends more each year on building permitting and inspections than all but two comparable cities surveyed (Santa Clara and Fremont), and the staffing allocation for this function in Milpitas also exceeds that of the six other cities. This makes sense in light of the fact that Santa Clara and Fremont are the only cities with a greater annual permit volume than Milpitas.

Milpitas also has a number of factors which result in expenditures and staffing for the Building functions which appear to exceed those for other cities its size. For example, Milpitas does not differentiate between building staff and dedicated administrative personnel in their Building and Housing Department, meaning that those functions are combined and reflected in the Department's staffing. Also building staff are responsible for staffing the permitting counter. These factors increase Milpitas' staffing and expenditure levels in ways that do not impact some of its peers.

2 The Planning Function in Milpitas Is Staffed Leanly Compared to Other Cities.

The following table shows the budget and staffing allocation in each peer city surveyed for planning and entitlement review functions. As some of the Cities surveyed did not break out advanced planning relative to current planning, for consistency purposes, the project team utilized the entire Planning division staff and budget.

City	Budget	Staff	How many planning applications are received per year?
Dublin	\$2,546,318	8.75	375
Fremont	\$5,141,537	20.4	425
Livermore	\$3,828,357	12	453
Mountain View	\$5,077,894	14	
Palo Alto	\$761,947	5.09	438
San Mateo	\$1,738,444	8	78
Santa Clara	\$16,754,566	7.1	
Sunnyvale	\$2,497,613	11.35	1,058
Average	\$4,793,335	10.8	471
Milpitas	\$2,070,588	9	286

Milpitas' planning budget is less than half of the average of its peers, and smaller than all but two municipalities surveyed. Staffing for the City of Milpitas, at 9 positions within Planning, is comparable to that utilized by other comparable entities with only two of the comparative agencies having larger full-time staff. However, this comparison only focuses on city staff and does not consider differences in the use of contractual services or the use of consultants.

2 While Specific Figures Are Difficult to Determine, Milpitas Appears to Have Expenditure Allocations for Engineering and Public Works Which Are Similar to Those of Comparable Municipalities Surveyed, but Milpitas' Staffing Is Much Smaller.

The following table shows the budget and staffing allocation in each peer city surveyed for engineering functions (also referred to as "public works" or "utilities").

City	Budget	Staff	How many encroachment permits are issued per year?
Dublin	\$3,815,423		221
Fremont	\$13,089,954		700
Livermore	\$10,053,602	28.5	403
Mountain View	\$3,567,842		

City	Budget	Staff	How many encroachment permits are issued per year?
Palo Alto	\$1,227,354	5.5	86
San Mateo	\$1,447,283		326
Santa Clara	\$1,334,460	6.18	
Sunnyvale	\$2,125,739	10.13	862
Average	\$4,582,707	12.6	433
Milpitas	\$4,425,043	4	203

Expenditures and staffing for engineering, public works, and utilities functions in development services and permitting is one of the most difficult things to ascertain, because no two cities report them identically. The figures in the table above vary widely due to the fact that many cities report staffing and spending differently, combine or separate functions differently, fail to describe how much of a given position's duties apply to development services and permitting, or decline to note which positions have a role in the function at all. With this in mind, the table above appears to show that Milpitas spends about the same as the average of other cities each year on development-related engineering work. On the staffing side, most other cities used for comparative purposes do not differentiate between engineering staff dedicated to development services and those who focus on other areas. A comparison of rough numbers appears as though Milpitas is far below the average of other cities. As noted, however, these calculations should be viewed in the context of the inexact nature of the supporting data available.

4 Milpitas Spends Slightly Less than Peer Municipalities on Fire Prevention and Plan Review, While Staffing the Function Similarly.

The following table shows the budget and staffing allocation in each peer city surveyed for the functions of fire prevention and plan review.

City	Budget	Staff
Dublin	\$426,305	1
Fremont	\$2,202,226	10
Livermore	\$4,177,660	9
Mountain View	\$797,229	3
Palo Alto	\$2,295,830	6.88
San Mateo	\$3,013,027	5
Santa Clara	\$3,309,866	14
Sunnyvale	\$3,368,208	15
Average	\$2,448,794	8.0
Milpitas	\$1,750,964	9

Milpitas spends less per year on fire prevention and plan review than all but two peer cities surveyed, but the nine staff assigned to this function are well within the middle of the range of peer cities. Staffing for fire prevention and plan review are provided (and reported) differently from city to city, which is apparent in the wide range of staff allocations noted in the table above.

It should also be noted that some comparable municipalities do not have their own dedicated Fire Department. For example, Livermore has a shared Fire Department with the City of Pleasanton, and San Mateo is a participant in a Fire JPA with Hillsborough and Foster City.

Milpitas appears to be generally in line with spending and staffing patterns among other cities surveyed. The differences in the way staff are reported from city to city, however, mean that this comparison is approximate.

5 Milpitas Uses Financial and Personnel Resources for Development Services and Permitting Overall Very Similarly to Comparable Municipalities.

The following table shows the budget and staffing allocation in each peer city surveyed for all development services and permitting functions. These figures are larger than the sum of the prior tables, because they include functions which did not fit into any of the prior categories, such as dedicated administrative staff, GIS staff, housing inspectors, sustainability staff, and permitting technicians which do not belong to any of the specific disciplines.

City	Budget	Staff
Dublin	\$11,021,494	19.2
Fremont	\$36,101,721	81.2
Livermore	\$34,796,588	75.5
Mountain View	\$30,248,871	48.0
Palo Alto	\$12,629,763	40.0
San Mateo	\$12,412,494	43.0
Santa Clara	\$31,251,972	72.2
Sunnyvale	\$13,869,101	61.8
Average	\$22,791,501	55.1
Milpitas	\$13,631,886	39.0

In total, Milpitas spends less than five of the eight peer municipalities surveyed on development services and permitting, and the assigned staffing of 39 employees is significantly fewer than the average of its peers.

When considering the fact that Milpitas is smaller than most of the peer cities surveyed, the City's smaller development services and permitting spending appears more in line with expected budgets for a city of its size. The total number of staff, likewise, is appropriate for a city of its size, sitting below the average just as the size of Milpitas sits below the average of the other cities in the survey.

The results of this "big picture" comparison show that overall resource allocation toward development services and permitting in Milpitas generally aligns with the practices of peer cities. Both expenditures and employee counts are similar to the trends apparent in the figures of other municipalities surveyed.

3 FINANCIAL APPROACH

The following sections focus on the financial approach that each city takes to development services and permitting, including enterprise funds, contracted functions, cost recovery policies, and any recent fee studies.

1 Milpitas is similar to other agencies with informalized target cost recovery goals.

The following table outlines responses to some basic questions about the financial structure of development services in each comparable municipality.

City	Is an enterprise fund established for development services? If so, which functions are included?	Is there an adopted cost recovery policy?	Are any development review functions contracted to private providers or other jurisdictions?
Dublin	No	Yes	Lots of building permit plan review (80%) by contract, as well as inspections. Lots of engineering work as well. Occasionally for overflow work on the entitlement side. CEQA work, landscaping, other specialized work.
Fremont	Planning, building, and engineering.	None formally. Informally aim for full cost recovery.	Special studies for entitlement applications. Also building permit review to supplement in-house plan checkers.
Livermore	No	Yes, done via fee study. Policy decision by City Council.	Some consultants on the engineering side and a contract for some Fire functions. Planning and building if workload necessitates.

City	Is an enterprise fund established for development services? If so, which functions are included?	Is there an adopted cost recovery policy?	Are any development review functions contracted to private providers or other jurisdictions?
Mountain View	Yes. Building, fire, and some planning and public works functions are included.	Yes. 100% cost recovery is the goal.	Some building and fire plan checking is outsourced based on workload.
Palo Alto	No	Yes	100% of plan check is done by consultants (and some of them stationed at the permitting center) and about 50% of inspections.
San Mateo	Building, Fire, Planning, and the development services functions of Public Works		Some building permitting plan reviews based on workload. The Planning Division also contracts out Planning Consultants.
Santa Clara	No	Fees are intended to cover the cost of services.	Yes, some offered based on customer request.
Sunnyvale	Building, Planning, Public Works	Informally attempt to recover all costs.	Plan check for some extensive complex projects.
Milpitas	None	Yes, in the municipal code.	Reviews are generally conducted by internal staff. Third party plan check offered recently.

Half of the comparable subjects who responded to the survey have a development services enterprise fund which covers some or all functions. Milpitas does not have such an arrangement, which places it in alignment with cities like Santa Clara, Palo Alto, and Livermore.

Every comparative city responding to the survey has some kind of cost recovery goal, whether as a written policy or an informal goal. The notion that development services should pay for themselves is widespread among peer cities. Milpitas does have an established cost recovery target in its municipal code, but there have been no formalized policies developed to document or support this target. The current fee schedule does not indicate, whether the City achieves those established targets.

While the type and extent of outsourcing varies, every peer city surveyed outsources some portions of development review services. Some (like Palo Alto) make a practice of outsourcing entire functions, while others (like San Mateo) use contractors when workload gets too heavy for staff, and others (like Sunnyvale) use outsourced staff for particularly complex projects and reviews. Milpitas has begun to offer third-party plan check, but does

not consistently use outsourcing as a strategy. It is important to note that this third-party plan check is currently only offered for Building Plan Checks.

2 Milpitas Has Reviewed Development Processes Recently, but Has Not Comprehensively Assessed Development Fees.

The following table shows answers to questions about any recent fee studies or operational assessments conducted by each comparable city.

City	When was the last time a user fee study or cost analysis study of fees was conducted? Was it done by an external consultant or internal?	Has the City ever had a review of its development processes? When was that study or review conducted?
Dublin	2018 External consultant.	Yes. A few years ago, combination of internal staff and consultant.
Fremont	2015 External consultant, through Finance Department.	2008 Internal review
Livermore	2017 External consultant	No
Mountain View	In progress. External consultant.	Yes. 2008.
Palo Alto	2016 External consultant	2016 External consultant
San Mateo	2018 External consultant.	2018 External consultant.
Santa Clara	In progress External consultant	Not sure
Sunnyvale	2009 External consultant.	In progress.
Milpitas	2017 (fire fees only) - internally There has not been an external evaluation of fees in the last 10 years.	2016

Most comparable cities have had a fee study conducted within the last 10 years, and nearly all of these were handled by consultants. Milpitas most recently conducted a fire fees study internally; however, its overall fees have not been evaluated within the last ten years and have not been done so by an external consultant. About half of comparable cities can point to a recently conducted review of development services, which is not the case for Milpitas (except for Fire fees).

4 DEVELOPMENT SERVICES AND PERMITTING OPERATIONS

The following sections address multiple aspects of development services and permitting operations, including the routing of plans, use of technology, approximate workload volume, levels of approval responsibility, scheduling inspections, and measuring performance.

1 Milpitas' Permit Center and Permitting Software Are Similar to Those Used in Other Cities.

The questions below focus on front counter operations and the routing of applications when they are received by each comparable city.

City	Do you have a one-stop permitting center? How is it staffed?	Who does plan intake and routing - for Planning, Building, Engineering, Fire, etc.?	What software application is used to track and manage applications?
Dublin	Partial. Planning and building at the counter. Other disciplines located elsewhere in the building.	Usually building, but depends on project type. Planning for entitlements, etc.	Eden
Fremont	8 Techs assigned to counter. Techs can call disciplines up to the counter as needed to review.	Techs	Accela
Livermore	Planning, engineering, housing, and building all staff the counters at the one-stop center.	Usually building, but depends on project type. Planning for entitlements, etc.	Accela
Mountain View	Building and planning staff at counter, other disciplines available as needed and by appointment.	Building Department - Permit Technicians	Custom, internally developed system
Palo Alto	Building, Planning, Fire, Public Works, and Utilities all have counter staff.	Building department does intake for all building permits. Other departments intake their own plans	Accela
San Mateo	Building, Planning, Public Works, Fire	Building Department	Energov
Santa Clara	Building, Planning Engineering, Water, Fire, & SVP Power	Permit technicians take them all in except for planning department.	Tidemark
Sunnyvale	Building, Planning, Public Works, Structural, Fire and Housing	Permit Technicians or Building Plans Examiners	SunGIS

City	Do you have a one-stop permitting center? How is it staffed?	Who does plan intake and routing - for Planning, Building, Engineering, Fire, etc.?	What software application is used to track and manage applications?
Milpitas	Building Department staff the permit center, other disciplines are called there as needed.	Usually building, but depends on project type. Fire takes in their own.	TRAKiT

Milpitas' operation of the permit center is typical of cities surveyed. Most cities have a permit center where the various disciplines of building, planning, engineering, fire, and housing are present or at least available. The front counter staff in most cities are Building staff (usually Permit Technicians), and they do intake and routing of most applications unless an application is specific to another discipline. This is likewise the practice in Milpitas.

Comparative cities use a variety of application tracking software products. Palo Alto, Livermore, and Fremont use Accela, while Mountain View uses an internally developed system and several others use various popular off-the-shelf products. Milpitas uses TRAKiT, another common off-the-shelf permitting software. Milpitas' permitting center practices are generally similar to those of comparable municipalities.

2 Milpitas Handles a Typical Assortment of Building Permit Applications Over the Counter. The City Does Not Accept Any Encroachment Permits or Fire Systems Permits Over the Counter. Like Most Peer Cities, Milpitas Accepts Online Application Submittal.

The following table summarizes responses to questions about the ease of submitting and processing applications. Specifically, which types of applications, if any, can be reviewed at the counter or submitted online in each municipality.

City	What type of applications / permits are approved over the counter?	Can applicants submit any applications / permits online? If yes, for which types?
Dublin	<u>Planning</u> : temporary use permits, sigs, banners and balloons, building clearances, site waiver, zoning clearances <u>Building</u> : some types of residential renovations, water heaters, AC, signs <u>Public Works</u> : none <u>Fire</u> : none	Yes, limited to large residential and commercial projects currently

City	What type of applications / permits are approved over the counter?	Can applicants submit any applications / permits online? If yes, for which types?
Fremont	<u>Planning</u> : sign permits <u>Building</u> : single-story additions of 700 sq.ft., window replacements, water heaters <u>Engineering</u> : encroachment permits <u>Fire</u> : none	Solar permits
Livermore	<u>Planning</u> : patio covers, arbors, signs <u>Building</u> : water heaters, HVAC, re-pipes, roofs, kitchen and bath remodels, windows, patio covers, arbors, signs <u>Engineering</u> : Encroachment for simple work <u>Fire</u> : None	Photovoltaic and electric vehicle charger permits can be submitted electronically. Not through the website, but through a separate link.
Mountain View	<u>Building</u> : A/C and furnace, fences, water/sewer line replacement, interior remodel, re-roofing, demolition, service panel, patio/deck, spa. <u>Fire</u> : systems plan check, Tu/Th only.	<u>Building</u> : Residential Furnace, Service Panel, Sewer Line Replacement, Water Line Replacement, Reroof <u>Fire</u> : None
Palo Alto	<u>Planning</u> : None <u>Building</u> : all permits with no plan check required. If plan check is required, then 20 minutes of PC time or less can be done OTC <u>Public Works</u> : small encroachment and street work permits only. If larger project or has traffic control plans, then it's submitted for review <u>Fire</u> : all fire permits are submitted for review	<u>Building</u> : Some simple permit types. Water heaters, re-roof, things that do not require plan check. <u>Planning</u> : scheduling of preliminary entitlement meeting for new residential construction. <u>Public Works & Utilities</u> : None <u>Fire</u> : None
San Mateo	<u>Planning</u> : Driveway Replacements <u>Building</u> : small remodels, re-roofs, siding, window/door installation, pool demo, photovoltaic systems, spas, arbors, heating/AC, water heaters. <u>Fire</u> : Some Fire Sprinkler and Fire Alarm Permits <u>Public Works</u> : Encroachment Permits	No
Santa Clara	Minor residential & commercial electrical, mechanical, and plumbing permits, Tenant Improvement, Minor residential additions that are not affecting the location of electrical service, Residential kitchen and bathroom remodels.	Building Department application that have been approved by the Planning Department, or those not requiring plan check. Water heaters, furnaces, on site gas, sewer, or water lines and re-pipes, Residential electrical service change up to 200 amps at the same location, electrical outlets and fixtures, residential re-roofing

City	What type of applications / permits are approved over the counter?	Can applicants submit any applications / permits online? If yes, for which types?
Sunnyvale	Single family Additions, Interior remodel including re-roof, windows, water heaters, furnace etc. for residential, Commercial TI (limited sq. ft) Signs Fire Sprinklers/alarms Demolition	Building permit applications for Small single family residential projects are available online for water heaters, re-roof, furnace, ac, etc.
Milpitas	<u>Building:</u> SFH - one story additions, interior alterations, garage conversions, patio cover, accessory structures, new roof, outdoor spa, fences, site improvement. Commercial – nonstructural interior alterations under 5,000SF, restaurants non-structural interior modifications. <u>Planning:</u> Zoning Verification Letter <u>Engineering:</u> none <u>Fire:</u> none	Building applications can be submitted online.

The types of building permits which can be issued over the counter in Milpitas are common to other municipalities surveyed, they consist of various types of minor permits such as roofs, accessory structures, patios, fences, and minor renovations.

- While Milpitas does not review fire applications over the counter, some peer municipalities offer this service.
- Most cities surveyed approve simple encroachment permits over the counter, while Milpitas does not.

Most comparable cities have begun to accept some types of permit applications online. This is limited to solar permits and electric vehicle charging stations in some cities, while others are accepting a wide variety of building permit types. San Mateo is the only city which does not accept any online applications. Like most of its peers, Milpitas also accepts online building applications.

3 Milpitas Makes Entitlement Application Decisions Similarly to Comparable Municipalities, Although the Hearing Officer Plays a Smaller Role.

The following table describes how entitlement applications are processed in each comparable municipality, specifically which types of applications can be approved at which levels of authority, and what types of communication or meetings are held to discuss these applications.

City	For planning applications, which applications have final approval at which levels?	What internal methods of communication are used to coordinate entitlement applications? Are regular development review meetings held? If so, how often do they occur and who is present?
Dublin	<u>Staff</u>: temporary use permits, sign permits, banners and balloons, building clearances, site development review waiver, zoning clearances <u>Zoning Admin</u>: Site development review permit, minor use permits <u>Planning Comm</u>: New development, design review permits, CUP's <u>City Council</u>: Ordinance changes, general and specific plan amendments	Meetings held before providing comments back to the applicant. All departments and agencies who commented are present.
Fremont	<u>Staff</u>: single family homes and industrial projects <u>Zoning Administrator</u>: design review for <i>rental</i> residential buildings <u>Planning Commission</u>: design review for all other building types <u>City Council</u>: general plan amendments, re-zoning, etc.	Daily, weekly, and bi-weekly meetings with representatives from each department (staff at daily meetings, management at the less frequent meetings).
Livermore	<u>Staff</u>: ADUs, Signs, Additions, Temp. use, Home occupancy, Site plan design review, Downtown design review <u>Planning Director</u>: manages staff <u>Planning Commission</u>: Conditional use, Some Site Design Reviews, Development agreements, Variances, New developments <u>City Council</u>: New developments	Comments done through Accela workflow and accessible to all divisions. Also email. No regular meetings.
Palo Alto		Planning has development review committee every week. Covers large new projects, includes planning, building, pub. works and utilities, and Fire.

City	For planning applications, which applications have final approval at which levels?	What internal methods of communication are used to coordinate entitlement applications? Are regular development review meetings held? If so, how often do they occur and who is present?
San Mateo	<u>Zoning Admin</u>: small residential, signs, pools and spas, small site plans and permits, temporary use permits, certain variances, <u>Planning Commission</u>: special use permits, large site plans and permits, projects with EIR, variances, large signs <u>Council</u>: Planned developments, rezoning, high rises, general plan amendments	
Sunnyvale	<u>Staff</u>: Those which are NOT “major” projects and comply with existing code. Sign permit. <u>Zoning Admin</u>: Major projects if CEQA exempt or minor ones that request a variance. CUP’s as well. Most variances. <u>Planning Commission</u>: Major projects involving CEQA or those hitting certain design thresholds. Variances if they hit certain triggers. General plan amendments.	Meetings and emails. Planning review committee (PRC) meets monthly. That includes the applicant. Preceded by a pre-PRC meeting which includes all planning staff, occurs bi-weekly. Misc. Plan Permit (MPP) meeting held weekly. All these meetings are planning staff only, not building/fire/engineering, etc. Also, once monthly meeting with all CDD staff.
Milpitas	<u>Staff</u>: Minor site permits, special event permits, minor CUP <u>Planning Commission</u>: Large site permits, variances, larger CUP’s. Appeals of staff decisions. <u>City Council</u>: Amendments to general plan, zoning plan. PUD’s, development agreements.	Staff conduct a weekly development review meeting to discuss projects.

The types of permits decided upon at each level of the planning organization is similar in Milpitas to other cities. Staff decide on small site permits and CUP’s, while the planning commission handles more complex site permits and variances, and the Council is responsible for plan amendments. One key difference is that the hearing officer in Milpitas makes very few decisions¹², whereas Zoning Administrators in other municipalities have extensive decision-making responsibility. The restrictiveness of the Hearing Officer in Milpitas is due to the City’s Municipal Code. Per the City’s Municipal Code, the Hearing

¹² https://library.municode.com/ca/milpitas/codes/code_of_ordinances?nodeId=TITXIZOPLAN_CH10ZO_S64DEREPR

Officer / Planning Division staff can only make decisions on Minor Conditional Use Permits (staff review), Staff Review applications, Minor Site Development Permits, and Special Event Permits (for which the appeal can be heard by the Hearing Officer). Any potential changes to this would require a code amendment to enable the Hearing Officer to play a greater role in discretionary applications relative to Planning Commission or City Council.

Most comparable municipalities have a meeting on a weekly basis to discuss planning applications, and Milpitas is similar to them in this regard.

4 Milpitas' Approach to Applicant Communication and Expedited and Third-Party Reviews Is Similar to That of Peer Cities.

The following table shows responses received from comparable municipalities related to their review of applications and communication with applicants. Specifically, the questions addressed expedited plan review, the provision of comments, and the availability of third-party plan check.

City	Does the City offer expedited plan reviews? If yes, what is the policy for these? What is the fee? Are these in-house or contracted out?	How are comments issued to applicants?	Does the City offer third-party or contracted plan check? If so, what % of applications are contracted?
Dublin	No.	Consolidated listing.	Yes. About 80% of work contracted.
Fremont	No.	Consolidated listing.	Outsourced building plan check when workload is excessive. About 15% of the time currently.
Livermore	No	Consolidated listing.	No
Mountain View	Yes, based on scope rather than a fee. Contracted out.	Consolidated listing.	Yes, they have consultant plan check services performed on behalf of the City.
Palo Alto	No	Separate lists.	Building plan check is 100% consultants. Fire is about 80% outsourced, about 50% of planning is contracted. Public Works and Utilities are all in-house.
San Mateo	No	Consolidated listing.	Yes, about 40-50% of Building Plan Reviews.

City	Does the City offer expedited plan reviews? If yes, what is the policy for these? What is the fee? Are these in-house or contracted out?	How are comments issued to applicants?	Does the City offer third-party or contracted plan check? If so, what % of applications are contracted?
Santa Clara	Yes, In-house overtime plan check available at \$300.00 for 2 hours, at customer request.	Separate lists.	Yes, at the customer request and by approval of the Plans Examiner Manager. Less than 1 % use third party review.
Sunnyvale	Express plan check is available for minor over the counter permit applications. For standard 21 day submittal projects, we may expedite upon building coordinator approval.	Consolidated listing.	Yes, some.
Milpitas	Yes, conducted in-house. Guidelines restrict what permit types may be expedited. There is no fee for this process established per Council's adopted fee schedule.	Consolidated listing.	Yes, third party plan check allowed as of recently.

- Milpitas is similar to three of the eight comparable cities surveyed in offering some type of expedited plan review. The Department has strong guidelines governing this practice.
- Like nearly all peer cities surveyed, Milpitas follows best practice in issuing a consolidated listing of comments to applicants, rather than a separate comments list for each discipline.
- Milpitas offers third party plan check in some cases. While the approaches vary, all other peer cities surveyed besides Livermore also offer third party plan check. In some cities this is based on applicants' request, in others it is a workload consideration, and in others it depends on the type of application.

As seen in the table and bullet points above, Milpitas is very similar to most peer cities in the way it handles communication with applicants and alternate approaches to plan review.

5 Milpitas Offers More Lenient Inspection Scheduling Deadlines and Handles More Inspections In-house than Most Comparable Municipalities.

The following table shows responses from comparable cities related to building inspections – scheduling, performing, and in some cases contracting them out.

City	How are inspections scheduled?	What is the deadline for submitting an inspection request?	What is the target response time for conducting an inspection once it has been requested/scheduled?	Does the City utilize contract building inspectors?
Dublin	Online, call-in, walk-in.	Deadline is 4am same day for online, or 4pm the day before for call-in or walk-in.	24 hours except weekends/holidays	Yes, 100%
Fremont	Online, IVR	3pm day before	Next Day	Yes, when workload dictates
Livermore	Walk-in, call-in, online, and fax.	Deadline is the night before.	Next day. They also offer evening inspections (only for homeowners)	No
Mountain View	Online, phone call with staff, fax, walk-in	3pm for next day	Next Day	Not currently
Palo Alto	Call-in, online, app, IVR, walk-in.	Before 4pm on day prior.	48 hours	Yes. About 50% of inspections.
San Mateo	Walk-in, and over the phone.	3pm for next day	24-48 hours	Yes, when workload dictates
Santa Clara	IVR or online		Next Day	Yes, some.
Sunnyvale	Online, phone, walk in.	Day before	Next Day	Yes, when workload dictates
Milpitas	Online, IVR, walk-in.	6am day of inspection	Next Day	No¹³

- Like most of its peers, Milpitas allows inspections to be scheduled online, through an IVR system, or on a walk-in basis.
- Milpitas aims for next-day inspections, much like the majority of comparable cities (although some of them have slightly longer target times such as 24 or 48 hours). Milpitas offers a more generous deadline for next-day inspection than most, allowing appointments to be scheduled as late as 6am on the day of the inspection.

Milpitas' scheduling requirements are more lenient than most of its peers, and the City is among the few which does not contract for any building inspections.

¹³ The City has the option to contract out certain major developments depending upon staff availability for those types of projects.

6 Milpitas' Goal Turnaround Times for Plan Review Are Longer Than Most of Its Peers. Comparable Municipalities Also Provide Possible Performance Metrics for the City.

The following table shows questions and responses from comparable cities related to efficiency and effectiveness of the development review process. The topics in this section were key processing times for applications, as well as any performance metrics tracked by each organization.

City	What are key target application processing times? Do they differ for first plan review compared to subsequent plan reviews?	What performance metrics or measures are tracked for development services?
Dublin	Commercial - New Construction: 15 business days max Commercial - Tenant Improvement / Interior Renovation: Varies, from OTC to 15 business days Single Family Residential - New Construction: 15 business days max Single Family Residential – Alteration: Varies, from OTC to 15 business days. Subsequent reviews vary from OTC up to 15 business days.	Percent of projects that meet turnaround times. Also, Customer satisfaction: responses to surveys.
Fremont		None currently.
Livermore	Commercial - New Construction 4 weeks on first review and 2 weeks resubmittal Commercial - Tenant Improvement / Interior Renovation: 2 weeks first review and 1 week resubmittal Single Family Residential - New Construction: 4 weeks on first review and 2 weeks resubmittal Single Family Residential – Alteration: One week first review and 3 day resubmittal	Track all turnaround times/ due dates for all planning, engineering, Fire, and Building submittals through a shared spreadsheet
Mountain View		Turnaround times for plan check Number of plan checks Number of issued permits Number of inspections Construction Valuation

City	What are key target application processing times? Do they differ for first plan review compared to subsequent plan reviews?	What performance metrics or measures are tracked for development services?
Palo Alto	Commercial - New Construction 30 days for initial review Commercial - Tenant Improvement / Interior Renovation OTC if small enough or 30 days for initial review Single Family Residential - New Construction 30 days for initial review Single Family Residential - Alteration OTC if small enough or 30 days for initial review 1st review is 30 days, resubmittals are 14 days. Post permit revisions are 14 days for 1st review, and 7 days for resub.	Number of projects being plan checked & type of plan check (OTC or submitted), timeliness of reviews (on-time rate), approval/denial rate (how many rounds of plan check), total number of days from submittal to “ready to issue”.
San Mateo	First plan review is 20-business days and all resubmittals are 10-business days for all projects.	Plan review turn-around time, turn-around in processing plan from approval to packaging plans for issuance, amount of time spent with customers at the counter.
Santa Clara	Regular plan check is 4 to 6 weeks for first round of comments. Resubmittal goal is an additional two week review.	Various aspects from the permit center wait times, inspections, permits issued, permits under review, to help with the development of needed services.
Sunnyvale	Commercial - New Construction: 21 Days for 1st round review. 10 days for resubmittals. Commercial - Tenant Improvement / Interior Renovation: Over the counter same day review Single Family Residential - New Construction: 21 Days for 1st round review. 10 days for resubmittals. Single Family Residential – Alteration: Over the counter same day review	None
Milpitas	Maximum of 30 business days for the most complex projects.	Building: plan review turnaround time, and inspection request times (next day completion.

The plan review timelines in Milpitas can be as long as 30 business days for complex projects, which equates to six weeks. Only one other municipality surveyed stated review timeframes lasting that long. Most cities have a maximum of 3-4 weeks.

Cities track a number of metrics regarding workload and performance. Many of them, like Milpitas, use turnaround times for plan review and aim for next day inspections. Some cities also track various other metrics which Milpitas might consider:

- Wait times
- Construction valuation
- Permit volumes
- Percent of projects meeting turnaround time
- Results of customer satisfaction survey

The tracking of these performance measures allows for City Council, development community and other stakeholders to hold Development services accountable for meeting established goals.

5 DEPOSIT-BASED FEES

The following analysis focuses on deposit-based fees, to the extent that they are used in each comparable municipality.

1 Milpitas' Use of Deposit-Based Fees Is Aligned with the Practices of Many Comparable Cities.

The first set of questions regarding the use of deposit based fees, detailed in the following table, sought to identify where the responsibility for managing deposit accounts lies in each city surveyed.

City	Are any of the City's fees or services deposit-based? If so, in what areas?	Who in the City manages the deposit process? Which department issues the invoices to developers?	Does the City have a central point of contact for the deposit-based fees?
Dublin	Planning	Finance	Finance, with help from planning and engineering.
Fremont	All planning, building, engineering applications are deposit-based.	Community development and public works manage their own. Finance does the billing and collection.	Community Development business manager
Livermore	Some in engineering and public works		
Mountain View	Building plan check	Building generates the payment receipt. Finance collects the money.	No

City	Are any of the City's fees or services deposit-based? If so, in what areas?	Who in the City manages the deposit process? Which department issues the invoices to developers?	Does the City have a central point of contact for the deposit-based fees?
Palo Alto	Planning	Planning manages it and invoices/collects from developer.	Management Analyst
San Mateo	Planning	Individual departments, but fees collected through Finance Department.	No, the point of contact is the staff member handling the project
Santa Clara	No	NA	NA
Sunnyvale	Only for third party review of complex projects such as those requiring EIR.	Community development, but fees collected through Finance Department.	Community development
Milpitas	Some deposit-based fees in planning and engineering	Individual departments collect the deposit, but Finance manages the deposits and issues invoices.	No; however, finance for invoice purposes, project manager for project purposes.

- Most comparable cities (six of the eight surveyed) use deposit-based fees for some aspects of development services and permitting. The degree to which they are used varies, however; Fremont uses deposits for a wide range of project types, while Dublin limits deposit-based fees to planning applications. Milpitas uses deposit-based fees for multiple project types.
- Most cities surveyed manage deposit-based fees through both the community development functions and the Finance Department, with Finance carrying the responsibility for billing and collection in all comparable cities except for Palo Alto. Milpitas follows suit in this respect, with Finance and individual departments managing deposit-based fees, and Finance invoicing applicants.
- There is no common point of contact for deposit-based fees; different cities assign the oversight of these fees to either a designated analyst in the community development department, the individual reviewing the application, or someone in the Finance Department. Milpitas does not have an assigned point of contact, similar to San Mateo and Mountain View.

The comparison above suggests that Milpitas' approach to deposit-based fees is typical among comparable cities.

2 The Lack of Formalized Policies for Deposit-Based Fees in Milpitas Is Common in Peer Cities, But Some Things Can Be Learned from Those Which Do Have an Established Policy.

The second set of questions regarding deposit-based fees, in the table below, asked about the policies that each city has regarding these fees, and how the time associated with them is tracked by staff.

City	Does the City have any thresholds in place regarding when deposits are replenished? Is this a written threshold? Is there a stop work policy based upon this threshold?	Are there written policies and procedures regarding deposit-based fees?	Where do staff track their time on deposits - in timekeeping or in the City's permitting software?
Dublin	No formalized threshold. Stop work if the developer does not respond to request for account replenishment.		Neither. Track it manually and then Finance charges against that deposit.
Fremont	None	No	Timekeeping
Mountain View	Plan check deposit: no replenishment, if they project takes many rounds to approve, consultants begin charging hourly staff time. Stop Work Notices – Are not deposit based. The permit is charged double the fees for all trades except plan check.		Time is not tracked, this part of their regular job duties to process them.
Palo Alto	Policy is 80%. Work stops when deposit is exhausted.	Yes	Timesheet. Contracted plan check is tracked separately.
San Mateo	For Planning Applications, the threshold is 70%.	Yes	Timekeeping
Santa Clara	NA	NA	NA
Sunnyvale	None	No	Neither. Issue requisition and then Finance charges against that deposit.
Milpitas	Threshold is 75%	Yes	Timekeeping

- The cities surveyed can be divided into three camps regarding deposit-based fee policies: those like Santa Clara, which do not use deposit-based fees; those like Dublin and Sunnyvale, which have informal policies regarding deposit-based fees; and those like San Mateo, which have established written policies and thresholds. Milpitas falls in the second camp; the City uses deposit-based fees but only informally adheres to policy. Cities surveyed with formal policies set the threshold

at 70-80% of the deposit, at which point they begin billing the applicant. Work stops when the deposit is exhausted.

- Cities surveyed which track time against deposits typically use timekeeping software. In some cities, review time is tracked separately for billing, but no cities use their permitting software to track time for deposit billing purposes. Most permitting software systems have the capability to track time, but it requires integration with the City's payroll system or financial system to ensure that the hours are billed appropriately.

Milpitas is among the few comparable municipalities which has written policies concerning the use of deposit-based fees, although these policies appear to be similar to the informal practices of most other cities which use them.

Appendix D: Stakeholder Analysis

As part of the Service Delivery Fee Study for Development Services for the City of Milpitas, the Matrix Consulting Group held four (4) Development Community Focus Group Meetings at the Community Center and Milpitas City Hall. These focus group meetings were held as follows:

1. Wednesday, December 5th, 1:00 - 3:00 p.m., Milpitas Community Center
2. Thursday, December 6th, 8:00 - 10:00 a.m., Milpitas Community Center
3. Thursday, December 13th, 2:00 - 4:00 p.m., Milpitas Community Center
4. Friday, December 14th, 9:00 - 10:00 a.m., Milpitas City Hall Committee Meeting Room

In addition to the focus group meetings held, for those who could not attend the meetings in person, an option was available to provide comments via phone call or email to the project team.

The focus group invitations were provided to the Community Development Roundtable participants, as well as to previous Building, Planning, and Land Development customers. A total of 80 invitations were sent for the focus groups and there were eighteen total responses; 14 respondents at the focus group meetings, and 4 respondents via phone and email.

The following subsections introduce focus groups and then a summary of the comments and feedback received in the focus groups.

1 INTRODUCTION & PURPOSE OF FOCUS GROUPS

The purpose of the stakeholder focus groups was to obtain input, feedback, concerns, perceptions, and suggestions for improvement regarding the development review process within Milpitas. These focus groups were structured as an open forum discussion, with no specific questions posed to the group, other than a brief background on the study, and that any and all comments collected through these focus groups and individual interviews would be compiled and presented in the manner of key themes. The respondents were assured that feedback would be reported anonymously. Questions asked by the project team related to the following areas:

- Specific departments / divisions within the City with which they interacted during the development phase – building, planning, land development, fire, economic development, etc.
- Timeframe of the interaction – current, within one year, five years, ten years, etc.

- Level of interaction – counter staff, inspection staff, plan reviewers, etc.
- Other jurisdictions in which they have previously conducted development activities.

The purpose of these questions was to ensure that the project team received information that was specific in nature, was current, and was related to a specific type of service or development project. The information regarding other jurisdictions was to further understand the background of the developer providing input, ensuring their understanding of California and Bay Area specific codes and requirements.

Each focus group lasted approximately one hour, with phone interviews lasting approximately 15 to 20 minutes each. The timeframe for each focus group and phone interview was dictated by the participants, ensuring sufficient time for all stakeholders to provide comments relative to their experiences. At the conclusion of the focus group, the contact information for the project team member conducting the focus group was provided and it was reiterated that any additional comments or input would be accepted throughout the course of the study.

2 KEY THEMES FROM THE STAKEHOLDER FOCUS GROUPS

There were several key themes that emerged from conversations with the stakeholders. These key themes can be divided into positive feedback regarding areas that worked well and feedback related to opportunities for improvement. The following table summarizes the comments for each of these two areas:

Things that Work Well	Opportunities for Improvement
Community Development Roundtable	Cycle and processing times for applications, inspections, reviews, and permits
Commitment to improvement and changes – evidenced by this study	Clarity on fees and charges for development projects – what fees are being paid for what services and when they should be paid
Support from Economic Development and City Management	Unclear submittal requirements – comments made in the process regarding changes that should have been caught in the beginning of the process
Responsive and accessible staff	Cumbersome city codes and policies cited during the review process and on job sites during inspection for failure of inspections
Commitment to customer service	Inability to hire contractors due to City's reputation
	Lack of detailed accounting for PJ accounts
	Scheduling of fire inspections
	Issues with consistency of plan review comments and inspections
	Need for increased staffing to accommodate the development activity

As the table indicates, despite there being several positives, the opportunities for improvement outweighed the items that worked well. All of the items noted in the table above were in reference to all four primary development service areas – building, planning, land development / public works, and fire prevention.

The Stakeholder community was consistent in stating that staff was very supportive, responsive, and committed to customer service, but that other aspects such as policies, codes, fees, and overall timeliness greatly impacted their ability to complete their development projects on time and in a cost efficient manner.

The primary complaint regarding application cycle and permit processing timelines was in relation to significant delays in the overall timeline. The significant delays sometimes occur due to inter-departmental coordination of comments, whereas other delays occur due to multiple rounds of comments, lack of timely inspection scheduling, or failure of inspections for items not identified or codified in the plan review phase of the project. These types of delays can be costly for the developers.

Other more specific comments regarding areas of improvement related to scheduling of fire inspections, the inability to get those scheduled quickly; however, there was the understanding that the City is and was suffering from a lack of staffing resources. Staff turnover was acknowledged by the development community as having an impact on the ability for them to get projects processed in a timely manner, but there was an understanding that there is limited ability for the City to control that aspect of staffing.

The development community and the stakeholders understood the City's current service levels reflected their current resources and conditions, but the desire expressed through these outreach meetings was the ability to have greater transparency regarding both the fees and the service level prior to going through the development process. The transparency in fees was related to both PJ accounts (deposits) as well as the flat fees charged by building. Some developers stated that they are asked for multiple deposits, with little to no detail on the invoices regarding the activities. For the flat fees, they can get charged for plan review fees, but may also have to pay for scheduled plan review meetings, as there is no clarity regarding the number of plan reviews or inspections covered within the current flat fees.

In regards to the service level expectations, an example cited in the meetings was that plan review has a target of 6 weeks, but in the past two to three years, it is rare that plan review is completed within that timeframe. Therefore, the development community would like to hear a target at the onset that is more reflective of staff capacity and availability, even if that target is 8-10 weeks, as that will allow them to better prepare their timelines for the project.

The stakeholders that attended the meetings and provided comments have all worked with other jurisdictions in the bay area such as Santa Clara, Mountain View, Sunnyvale,

Fremont, and San Jose. As such, they are familiar with and understand California environmental regulations, California building codes, as well as the development climate and opportunities within the Bay Area. They stated that despite this experience, many of the development code and policy requirements expressed to them during the development phase in Milpitas are very unique to Milpitas.

All of the stakeholders that provided comments currently have some sort of active development project within the City and / or have had a project within the last three years. This was very important to note, as it indicates that the feedback provided is relevant to current development services and operations.

3 SUMMARY OF STAKEHOLDER FOCUS GROUPS

The overall theme that emerged regarding areas for improvement related to the lack of predictability, consistency, and timeliness of development operations within the City. The development community was glad to be involved in this process and acknowledges the City's commitment to changes and improvement, but recognizes that there are still further and more significant areas for opportunities for improvement in the development process.

As discussed in the introduction, at the conclusion of the focus group meetings, the stakeholders were offered the chance to provide any additional feedback and input to the project team during the remainder of the study.

Appendix E: Employee Survey Results

As part of the Matrix Consulting Group's Service Delivery Fee study for the City of Milpitas, the project team distributed an anonymous survey to employees involved in the City's development review process in order to gauge their opinions on a variety of topics relevant to the study. This survey provided development review staff an opportunity to provide input to the study, and to enhance the project team's understanding of employee opinions. This survey generally asked three types of questions:

- **Demographic Questions:** Respondents were asked to indicate the department they work for, their length of employment, their level of responsibility, and whether they have worked in development services for other agencies.
- **Multiple Choice Questions:** Respondents were presented with a number of multiple choice questions or statements where they indicated their level of agreement or disagreement.
- **Open-ended response questions:** At the end of the survey, staff were given space to provide opinions about the City's development review process in their own words.

The project team provided City staff with an electronic link to the survey via email. A total of fifty-seven (57) surveys were distributed and thirty-six (36) responses were received. This represents an overall response rate of 63%.

1 SUMMARY OF KEY FINDINGS

While a more detailed analysis can be found in the sections below, the following points summarize the key findings from the responses received to this survey:

- Most respondents believe the current processes for development review and permitting are efficient and effective.
- Most respondents believe the City provides good customer services at the permit counter.
- Respondents believe the City provides effective training and resources to staff.
- Most respondents feel management is helpful and efficient and the workplace has a positive environment.

- Most respondents feel they have a very busy workload and many feel they are overworked.

As the points indicate, generally speaking, City staff had a positive outlook on the development services provided to their external customers. The only area for improvement identified was in relation to workload and feeling overwhelmed.

2 SURVEY RESPONDENT DEMOGRAPHICS

While responses to the survey were confidential, the project team asked respondents to indicate some information about their position in order to understand responses better. The following subsections discuss the different types of demographic information gathered through the online survey.

1 Department

The first question in this section asked participants which department they work for in the City of Milpitas. The following table shows the breakout of responses by department, as well as the total number of responses received.

Department	# Received	Percent	Invitations Sent	% of Dept Responding
Building	14	38.9%	24	58%
Engineering	2	5.6%	3	67%
Finance	1	2.8%	2	50%
Fire	8	22.2%	9	89%
Planning	7	19.4%	8	88%
Public Works	3	8.3%	5	60%
Economic Development	1	2.8%	5	20%
Total	36	100%	56	64%

The greatest volume of responses came from personnel in the Building, Fire, and Planning departments, which makes sense as those are the core Development services activities and some of the larger departments surveyed.

2 Length of Employment

The next question in this section asked respondents how long they have worked for the City. The following table shows by range of years worked the number of responses received.

Range of Years	Count	Percent
0-2 Years	21	58.3%
3-5 Years	5	13.9%
6-10 Years	2	5.6%
11+ Years	8	22.2%
Total	36	100%

Based on the table above, there was a range of longevity with the City that was represented in the survey responses, with the largest proportion of staff having worked for the City less than 2 years, but the next highest level of responses was for staff that have worked with the City for more than 11 years.

3 Level of Responsibility

The third question in this section asked respondents what type of position they hold within their department. Their responses are broken out below based upon level of position.

Level of Responsibility	Count	Percent
Admin/Clerical	2	5.6%
Permit Processing/Counter Staff	2	5.6%
Managerial/Supervisory	13	36.1%
Inspections	12	33.3%
Plan Review	2	5.6%
Other (please specify)	5	13.9%
Total	36	100%

The majority of respondents hold managerial/supervisory or inspections positions within the City.

There were five responses that did not pick any of the categories listed, the following points provide further detail:

1. "Plan review and inspections, occasionally counter calls"
2. "Specialist"
3. "Current Planning – Counter staff, permit processing, plan reviews, presenting projects to the Planning Commission"
4. "Senior Planner"
5. "Plan review/inspections/enforcement"

As the points illustrate, the reason some of these responsibilities were not categorized was due to the multiple responsibilities or services that the position provides.

4 Previous Experience

The final question in this section asked survey participants whether they have previously worked in another agency. The following table breaks out the responses:

Worked at another jurisdiction?	Count	Percent
Yes	26	72.2%
No	10	27.8%
Total	36	100%

Approximately 72% of the respondents have worked with another jurisdiction prior to Milpitas. This question was particularly relevant for this study, as the majority of staff and respondents have had very limited tenure with Milpitas, but despite that limited tenure, they have had experience performing these types of services with other jurisdictions. Additionally, experience with other jurisdictions can translate into different perspectives regarding the processes and levels of efficiency achieved by Milpitas.

3 MULTIPLE CHOICE QUESTIONS

The bulk of the survey consisted of sections where respondents were asked to indicate their level of agreement or disagreement with statements about the Department. The response options were “strongly agree” (SA), “agree” (A), “disagree” (D), “strongly disagree” (SD), or “N/A” (NA). The project team broke these multiple choice responses into the following categories:

- **Process Efficiency & Effectiveness:** Questions in this section focused on the efficiency and effectiveness of the development services process within the City.
- **Customer Service:** The questions in this section related to the level of customer service provided by city staff to customers of the development services process.
- **Employee Resources:** Questions in this section addressed the level and types of resources that are available to employees for development services.
- **Management & Workplace Experience:** These questions addressed issues about the workplace culture and management support provided to city staff during the development review process.
- **Workload:** This section addressed issues related to staff workloads.
- **Finance Staff:** This section only required responses from staff in the Finance section as it related to deposit (Private Job / PJ) accounts as it relates to development services.

The following subsections provide the results of the multiple choice questions based upon the categories noted above.

1 Process Efficiency and Effectiveness

The first section of multiple choice questions asked respondents to provide insight regarding the City's development review process and their perception regarding the effectiveness of the existing processes as it relates to timeliness, efficiency, and fees. The table below shows the proportion of respondents who selected each level of agreement or disagreement.

#	Statement	SA	A	D	SD	NA
1	The development review and permitting process in Milpitas is efficient and well-run in terms of the services it delivers.	3%	59%	28%	3%	6%
2	My division is efficient and well-run in terms of the services it delivers.	22%	59%	19%	0%	0%
3	There is good coordination between my division and other departments / divisions that are involved in the development review and permitting process.	6%	53%	31%	3%	6%
4	Our process for reviewing over the counter (express) permits works well.	9%	38%	22%	6%	25%
5	Development review committee meetings are an effective use of time.	6%	38%	28%	3%	25%
6	Our approach to charging private job accounts is efficient.	3%	28%	3%	16%	50%
7	We accurately capture time associated with application review on private job accounts.	6%	31%	25%	9%	28%
8	There are established cycle times and goals for plan review or permit timelines for the processing of development review plans or permits.	12%	50%	22%	3%	13%

The points below summarize the information noted in the response table:

- **Most staff believe the development review process is efficient and well-run:** Statement #1, to this effect, received strong (62%) agreement. Among building division staff, however, 6 of 13 respondents (45%) disagreed. Statement #2, that individual divisions are efficient and well-run, received a very strong majority (81%) of agreement, which was consistent across divisions. Statement #8, that there are established cycle times and goals for plan review or permit timelines for the review process, received a majority (62%) of agreement.

- **Most staff believe divisions coordinate well in the development review and permitting process:** Statement #3, that there is good coordination between respondents' divisions and others involved in the process, received a majority (59%) of agreement.
- **Most staff believe over the counter permit review works well:** Statement #4, that the City's process for reviewing over the counter permits works well, received 15 of 24 (63%) agreeing responses. 8 respondents gave no response.
- **Most staff believe development review committee meetings are an efficient use of time:** 14 of 24 (58%) respondents agreed with Statement #5, that development review committee meetings are an effective use of time. Eight respondents gave no response. However, among planning staff, 5 of the 7 respondents (71%) disagreed. *This finding is especially notable, as Planning is typically the leader and manager of development review committee meetings.*
- **Most staff agree that the City's process for charging PJ accounts is efficient, but have mixed responses related to accurately capturing time:** Statement #6, of the 16 who responded, 10 (63%) agree that project accounts are being charged to by staff in an efficient manner, however, among planning staff, 5 of 6 respondents (83%) disagree with 4 of those responses strongly disagreeing. This once again is an especially important finding, as nearly all of Planning's services and fees are accounted for through PJ accounts. In regards to managerial staff 3 of 5 management/supervisor staff disagreed that the City's process for charging PJ accounts is efficient. The inspection staff was the only category that agreed with that their time charges are efficient as it relates to PJ accounts, but inspection staff bill minimally if at all to PJ accounts, which could help form that perspective. From Statement #7, only 12 respondents (38%) agree accurate time is captured for application review on private job accounts while 11 (34%) disagree.

As the points note, staff believe the development review processes currently in place are fairly efficient and well-run, including the reviews provided over the counter and development review committees. However, there is some disagreement from planning staff regarding the effectiveness of the development review committee, which they manage, as well as the efficiency of the process for charging to PJ accounts.

2 Customer Services

The second section of multiple choice questions asked respondents about services provided to development review customers, and the level of customer service. The table below shows the proportion of respondents who selected each level of agreement or disagreement.

#	Statement	SA	A	D	SD	NA
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#	Statement	SA	A	D	SD	NA
1	Permitting processes in Milpitas are not unnecessarily complex or burdensome for the applicant.	6%	56%	16%	13%	9%
2	Applicants are advised of all application requirements and standards early in the process.	9%	63%	9%	3%	16%
3	The City of Milpitas makes it easy to obtain complete, accurate information about the development review and permitting process.	6%	38%	38%	3%	16%
4	My department prioritizes customer service in the development review and permitting process.	19%	53%	3%	3%	22%
5	My co-workers are polite to customers.	41%	56%	0%	3%	0%
6	My co-workers are committed to doing quality work.	47%	47%	3%	0%	3%
7	The applications submitted by applicants are typically complete enough to allow prompt and complete action by staff.	3%	38%	41%	0%	19%
8	Decisions regarding code interpretations are made consistently in my department, without variation from applicant to applicant.	28%	53%	9%	6%	3%
9	Milpitas provides the ability for customers to provide feedback on their experience with Development Services through in-person feedback or online customer service survey.	9%	41%	25%	0%	25%
10	Applicants have a single point of contact for their permit through the different development applications.	3%	44%	31%	6%	16%
11	There is an established customer service objective to not have applicants wait more than 15 minutes at the permit center.	3%	31%	13%	9%	44%
12	The City of Milpitas' Development Services fees are easy to administer and explain to customers and applicants.	6%	38%	25%	6%	25%
13	I am aware of what resources are provided to our customers on our website.	9%	53%	25%	6%	6%
14	The City of Milpitas' Development Services fees are available online and at the City's permit center.	9%	66%	0%	0%	25%

The points below provide a narrative summary of the information included in the previous table:

- **Generally, most staff believe the permitting process for the City is easy for applicants:** from Statement #1, 62% of staff agree that the process for applicants is not difficult (6 of 12 managerial/supervisory staff disagreed with the statement) and from Statement #4 where 72% of staff felt their department prioritized customer services related to the permitting process.
- **Staff have mixed responses regarding providing applicants with accurate information:** For Statement #3, approximately 44% of the respondents agreed that accurate information was provided and 60% of inspections staff agreed. However, approximately 41% of respondents disagreed and 70% of management

and supervisory staff disagreed, suggesting that there is a wide divergence of views for this issue among staff.

- **Most staff agree that the application process information provided for applicants is efficient:** Statements #2, #8, and #14, all received significantly more agreement than disagreement, showing that staff believes applicants are provided with all necessary information, applications are interpreted consistently, and fees information is easily available. However, Statement #7 indicated that applicants still submit incomplete applications with 41% agreeing and 41% disagreeing.
- **Most staff agree that application resources provided to applicants is efficient:** Statements #10, #12, and #13, had a higher proportion of respondents that agreed than disagreed, indicating that staff believe applicants are provided with a single point of contact and fees are easy to explain and administer. However, approximately 4 of 7 planning staff disagree with Statement #13 that the staff themselves are aware of the types of resources available on the City's website. This is important, as if staff themselves are unaware, they cannot direct applicants to that information; highlighting a staff training issue. It is important to note that the majority of planning staff is new to the department and this could be the reason for the lack of their awareness.
- **Most staff believe they provide quality customer service:** Statements #5, #6, #9, and #11 all received mostly agreeing responses showing that staff believes good customer service is provided at the permit center by being polite, providing quality work, short wait times, and an accessible way for customers to provide feedback. However, 4 of 5 of planning staff disagree with Statement #9 that customers have a way to provide feedback and 4 of 7 management/supervisory staff disagreed with Statement #11 that applicants wait time is no more than 15 minutes.

The points in this section provide important insight that while generally employees believe customer service is a priority for the department and information is provided to customers in an accurate manner; there is quite a bit of disagreement from management and supervisory staff regarding the level of customer service and whether accurate information is provided and the level of wait time for customers. This is important as this shows a disconnect between observation from management and supervisory staff and the level of service being provided overall by employees.

3 Employee Resources

The third section of multiple choice questions asked respondents about the resources available to city employees throughout the process. The following table shows the proportion of respondents who selected each level of agreement or disagreement.

#	Statement	SA	A	D	SD	NA
1	I have the materials, equipment, and tools I need to do my work right.	6%	66%	13%	13%	3%
2	My division has an efficient records management and document management system.	6%	50%	31%	13%	0%
3	My department has clear, well-documented policies and procedures on plan review and permitting.	10%	52%	26%	10%	3%
4	I am able to effectively utilize TRAKiT.	19%	56%	16%	6%	3%
5	I receive formal ongoing training in the technical skills required to fulfill my role.	9%	53%	16%	13%	9%
6	I am able to consistently meet the City of Milpitas' timelines and turnaround goals for plan review and permitting.	6%	41%	25%	6%	22%

As the table indicates, the majority of staff agreed that they have the resources that they need to perform their work efficiently and effectively. Each of the six statements in this section received a majority of at least 56% agreement, indicating that staff generally feel they have the tools, training, and technology needed to fulfill their responsibilities. However, 71% of Planning division staff disagreed that records and documents are managed efficiently.

4 Management and Workplace Experience

The fourth section of multiple choice questions asked respondents about their experience with managers and the workplace culture. The table below shows the proportion of respondents who selected each level of agreement or disagreement.

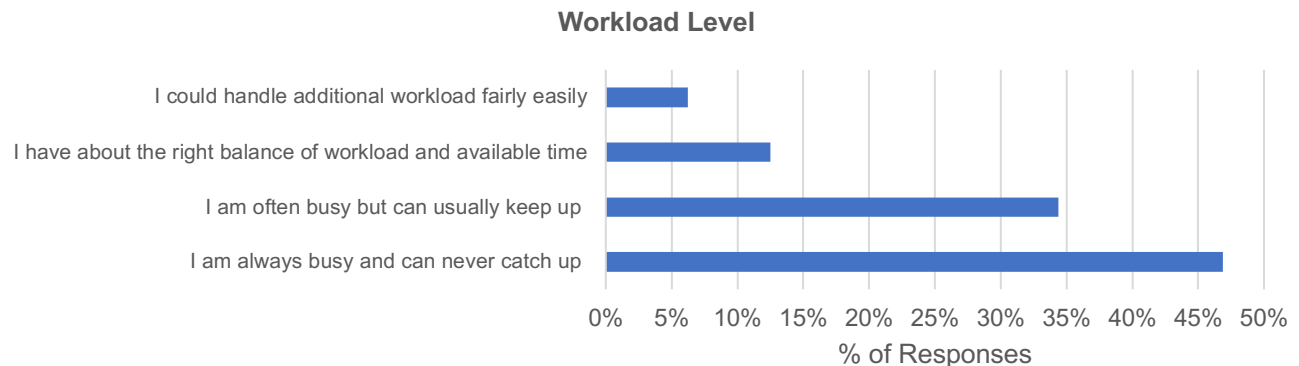
#	Statement	SA	A	D	SD	NA
1	My division is effectively managed regarding the development review and permitting processes.	9%	56%	16%	3%	16%
2	Managers in my Department involve staff in collective problem-solving.	25%	50%	16%	6%	3%
3	I am encouraged to think creatively and question the way we do things in order to solve problems.	19%	56%	16%	6%	3%
4	Managers in my Department are receptive to new ideas and employee suggestions.	19%	72%	3%	6%	0%
5	When mistakes are made, managers and supervisors focus on correcting the mistake with a learning approach rather than on placing blame.	22%	66%	6%	3%	3%
6	My voice is heard and my opinions seem to count.	22%	56%	13%	6%	3%
7	I am empowered to act within the scope of my expertise, training, and experience.	31%	56%	6%	3%	3%

#	Statement	SA	A	D	SD	NA
8	I receive enough recognition and appreciation for the quality of my work.	16%	66%	3%	6%	9%
9	Someone at work encourages my professional development.	13%	66%	6%	13%	3%
10	I know what is expected of me at work.	25%	59%	6%	6%	3%
11	The mission / purpose of this organization makes me feel my job is important.	31%	56%	6%	3%	3%

Overall, staff feel strongly that they are properly managed and have an inviting workplace. The majority of staff agreed with all statements, and this was apparent across all departments and levels of responsibility. The only variation in responses was from inspection staff, with approximately 42% of inspection staff disagreeing that managers involve staff in problem solving and the same proportion disagreeing that they are encouraged to think creatively and question the way problems are solved.

5 Workload

The fifth section of multiple choice questions asked respondents about how much work they are provided. The following figure shows the proportion of responses received by workload statement description.



Approximately 47% of staff felt that they either had the right balance of workload or that they could keep up with their existing workload, while 47% responded that they are unable to ever catch up to their workload. Only 6% of staff indicated that they have the capacity to add on additional workload. Planning staff provided the majority of “right balance” responses; 3 of 7 respondents in that division indicated that they have an appropriate workload for their available time.

6 Finance Staff Questions

The sixth section of multiple choice questions was limited to finance staff, and asked questions related to their support to development review staff. The respondents were

asked a series of statements as it relates to billing for PJ accounts and the fee schedule. The results of this section indicated that staff agreed with the following statements:

- Clear Policies and Procedures regarding deposit-based fee accounts.
- Clarity regarding the rate that must be utilized for billing to deposit accounts based upon the type of application being processed.
- Utilization of a blended hourly rate for each department / division rather than different rates for different staff.
- Staff annually updates the hourly rates used to bill to deposit accounts.
- There is clarity in the deposit process regarding when the applicant must be billed, how often, and to whom the bill is sent.
- Finance staff prepares monthly reports for all deposit accounts showing the status of current account accounts financially and within the project.
- There is clear communication between Finance and development staff regarding the applications that require Private Job (PJ) accounts.
- Billing to deposit accounts occurs through timesheets.
- A review of deposit accounts is conducted to ensure that they are sufficient based upon total amounts billed in the previous year.
- Finance staff time is not billed to deposits directly.

As the points above indicate, Finance staff agreed with the majority of statements regarding deposit accounts. There were only two statements where there was disagreement, which were as follows:

- There are established thresholds upon which if a deposit account reaches, Finance staff informs development staff to stop work until further payment is received.
- Finance staff annually updates the City's Master Fee Schedule.

The two points of disagreement are critical for understanding the City's current fee amounts, as well as the deposit-based process that exists for the City to recover its costs as it relates to Planning, Public Works, and Land development services.

4 OPEN RESPONSE QUESTIONS

The final section of the survey asked respondents to respond to a number of questions in their own words. This question was open to all respondents regardless of their department. The project team asked three primary questions:

1. What could Milpitas do to improve the level of customer service in the development review and permitting process?
2. What could Milpitas do to streamline the development review and permitting process?
3. What do you think Milpitas could do to better communicate with applicants regarding the status of their permits while under review, including any comments or revisions that need to be made?

The following points provide analysis of the responses provided by participants for each of these three questions.

1 Improve Customer Service

The first question asked respondents how they think customer service could be improved in the development review and permitting process. Twenty responses were received. The common themes for this question are summarized in the following points:

- Clearly communicate realistic turnaround times, city policies regarding scope of work, and permitting timelines
- Increase staffing levels and resources
- Develop automatic fee calculators
- Revise and clarify the PJ system
- Provide more information on the City's website

The two most common response themes among these answers were to provide greater information to applicants regarding the City's development processes, policies, permit standards, California building codes, and other information on the City's website (7 responses) and adding additional staff (3 responses). This aligns with earlier answers, where participants indicated in multiple choice sections that they feel they are overworked.

2 Streamline the Development Review or Permitting Process

The second open response question asked survey participants what they think the City could do to improve the development review or permitting process. A total of 21 responses were received. The following points summarize the responses received:

- Develop clearer submittal guidelines during the permitting phase including checklists and checking for complete submittals at intake
- Have a one stop shop for development services
- Utilize third party resources if insufficient staffing levels
- Unify records management into one centralized permitting system

The most common theme among these responses was to develop a checklist or submittal for applications (5 responses). While respondents said earlier in the survey that development review and permitting processes are generally efficient, the responses in this statement provide greater insight regarding further areas for opportunity for improvement for the City to provide a higher level of service.

3 Communicating with Applicants

The third open response question asked customers what they believe the City could do to better communicate with applicants during review of their permit. Twenty responses were received. The following points highlight the themes of the responses:

- Update the City's website to have a prominent link to status updates and promote the use of the online TRAKiT status system.
- No improvements needed as status updates are available
- Gather email / contact information at submittal to ensure that any information is accurately communicated.

The primary theme appearing in these answers is to use an online status checking system for applicants (7 responses), so that applicants can review the status of their application from an online system. The City already has the ability for some permit information to be viewed through the online TRAKiT module. However, it seems that there needs to be greater internal and external awareness of this tool, including potentially a more prominent link on the City's website.

4 Other Comments Regarding Development Services

After all of the questions and statements, the survey respondents were asked to provide comments regarding any other areas which they felt would be beneficial for the project team to have input regarding for the service delivery study and analysis. The primary comments in this section related to the following aspects:

- Need for additional staff and resources in all of the departments / divisions to handle the current and projected workload.
- Develop cohesive and consistent development review processes.
- Allow for continuing education and internal staff training regarding codes and development processes.
- Focus on records management and retention for documents in a centralized place.

The points in this section mirror the comments provided throughout the open ended section and the multiple choice questions.

5 OVERALL SUMMARY

Overall, the results of the survey were a critical component of the project team obtaining input from employees in the development services process, regarding a variety of topics. As the introduction summarized, generally employees have a favorable outlook towards the services that they provide, but there are opportunities for improvement especially as it relates to staffing needs, improving workload balance, and providing accurate and clear information to customer regarding submittals. These findings will be considered by the project team to develop potential recommendations for opportunities for improvement within the City's development review process.

Appendix F: Descriptive Profile

The following descriptive profile outlines the organization, structure, and staffing of departments involved in the development review application, permitting, and inspection processes, including Planning, Building, Engineering, Public Works, Fire, and Finance. The information contained in the profile has been developed through a number of interviews conducted with representatives from the respective Departments involved the process.

The primary objective of this profile is to review and confirm our current understanding of the development review, permitting, and inspection processes. Consequently, no analysis or findings are contained in this document. Instead, this document focuses on outlining the following items:

- The organizational structure of each area of the Department within the project scope.
- Descriptions of the main functions and work areas of each Department.
- The authorized (budgeted) and actual (currently filled) number of positions by classification assigned to each unit, including any contracted positions.
- The roles, objectives, and responsibilities of each unit associated with development activity.
- Revenues and expenditures associated with the organizational units.
- Workload and permitting activity associated with each division.
- Existing workflows for development review activities.
- Understanding of the local ordinances that impact the review, permitting, and inspection processes.

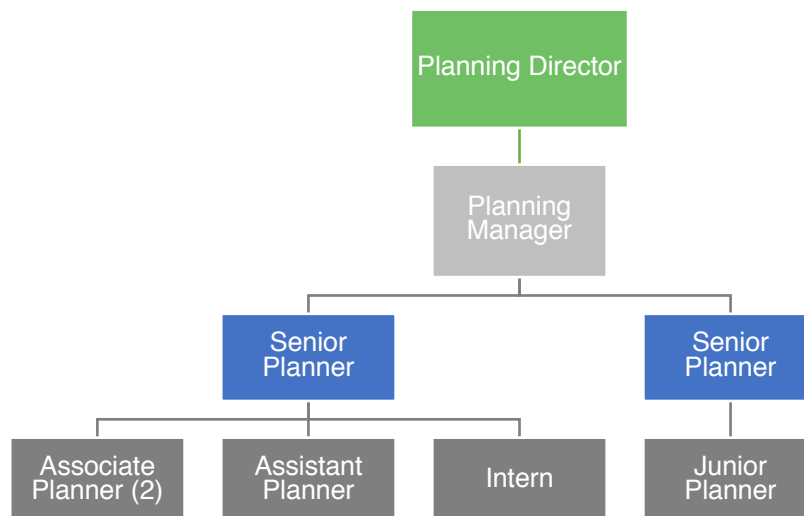
The profile is the first deliverable of this project and will help serve as a foundation for our assumptions regarding staffing and current organizational characteristics of the functional areas included in the scope of the study.

2. Planning

Planning is responsible for the coordination and review of applications related to land use (zoning) and the land entitlement process for existing and new development projects. Additionally, Planning is tasked with the administration of the City's long range planning efforts including maintaining the City's General Plan, Zoning Ordinances, and Specific Plans. This includes the administration of zoning ordinance, land use and development regulations.

1 ORGANIZATIONAL STRUCTURE

The following chart outlines the staff and structure of the Planning Department:



2 STAFFING

The following table summarizes key roles and responsibilities of each position within the Department with substantial involvement in the various land use processes.

Unit / Division	Curr.	Auth.	Position	Description
Administration	1	1	Director	- Provides oversight and direction to staff of the Division. - Actively participates in the day-to-day operational oversight of the division ensuring continuous operations of the Planning Department.
	1	1	Planning Manager	Planning Manager is the primary staff member leading long range planning efforts and is supplemented by various Planners.
Planning	2	2	Senior Planner	Senior Planners serve as the project manager for the largest and most complex land entitlement permits. Also, oversee the processing and review of all planning permits.
	2	2	Associate Planner	Associated Planners process a variety of planning review applications, serve as planner of day to staff the permit center counter.
	1	1	Junior Planner	Junior Planner processes special event permits and sign permits.
	1	1	Assistant Planner	All planners are responsible for project management for the applications they review, also are responsible for tracking application expenditures and notifying the applicant of additional fees needed.

3 EXPENDITURES AND REVENUE

The project team also collected information regarding expenditures and revenue for the Planning Division. The following table shows for the past three fiscal years and the current year, the expenses and revenues associated with the Planning Division broken out by major cost category and revenue type:

Category	FY16	FY17	FY18	FY19 Adopted
Personnel Services	\$813,517	\$998,907	\$1,803,760	\$2,032,198
Supplies & Contractual	\$449,324	\$305,166	\$38,310	\$38,390
TOTAL PLANNING EXPENSES	\$1,262,841	\$1,304,073	\$1,842,070	\$2,070,588
Planning Fees	\$2,823	\$5,491	\$4,588	\$5,000
PJ Overhead Charges	\$265,670	\$125,690	\$227,711	\$368,000
PJ Labor Reimbursement	\$89,974	\$42,726	\$78,344	\$200,000
PJ Vendor Reimbursement	\$308,007	\$93,172	\$16,712	\$20,000
Planning Plan Check Fee	\$9,263	\$15,854	\$14,763	\$12,000
TOTAL PLANNING REVENUE	\$675,737	\$282,933	\$342,118	\$605,000
NET PLANNING COSTS	(\$587,104)	(\$1,021,140)	(\$1,499,952)	(\$1,465,588)
PLANNING COST RECOVERY %	54%	22%	19%	29%

As the previous table indicates, the Planning Division's cost recovery declined from a high of 54% in FY16 to a low of 22% in FY17 and in FY19 it is projected to recover approximately 29% of its costs. The primary reason for the increase in costs is due to shifting of costs from contracted planning staff in FY16 and FY17 to in-house staff in FY18 and FY19.

4 WORKLOAD

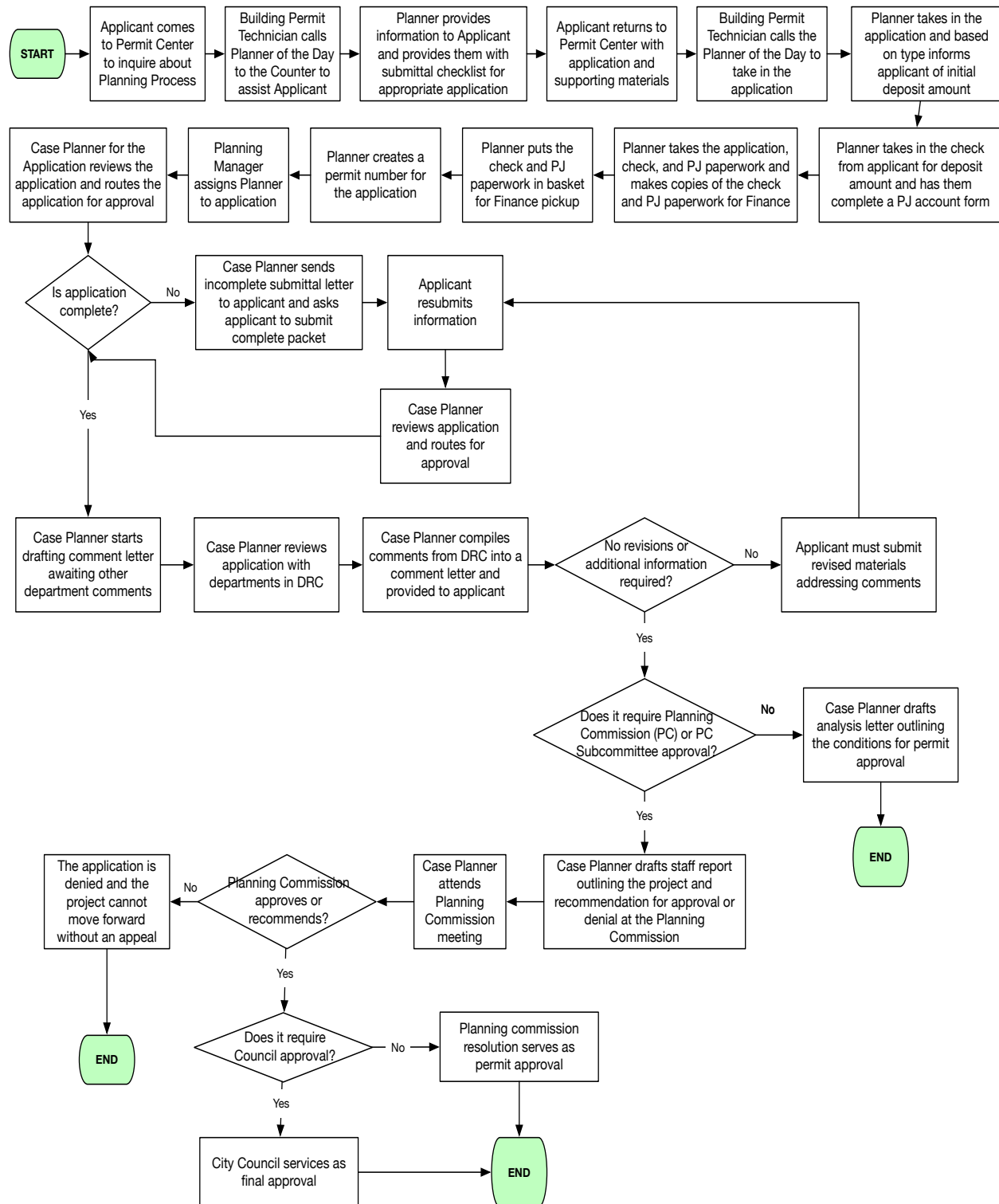
The Planning Division provided data regarding the types and number of permits and applications processed. The following table shows by Permit type the number of permits processed for the last three fiscal years and for FY19 to date.

Permit Type	FY16 # of Permits	FY17 # of Permits	FY18 # of Permits	FY19 YTD # of Permits
Minor Conditional Use Permit	13	11	12	6
Environmental Impact Assessment	7	3	7	1
General Plan Amendment	1	4	1	1
Major Tentative Map	9	2	1	
Minor Tentative Map	1			
Minor Tentative Map Amendment			1	
Minor Site Development Permit	136	224	249	82
Minor Site Development Permit Amendment	2	3	5	2
Site Development Permit Amendment	3	1	1	3
Pre-Application	7	6	2	2
Special Events	3			
Zoning Verification Letter	1	1		
Parcel Map		1	1	
Density Bonus			1	1
Large Family Child Care			3	3
Planned Unit Development Amendment			2	
Development Agreements				1
TOTAL # OF PERMITS	183	256	286	102

As the table above indicates, the workload for the Planning Division increased significantly between FY16 and FY17, by approximately 40%. The workload only increased by 12% between FY17 and FY18. For FY19 the division is projected to hit approximately the same workload level as the prior two years. The primary increase in applications is the Minor Site Development Permit category, as all other applications have varied from year to year.

5 PLANNING WORKFLOW

The project team met with staff in the Planning Division to map out the basic process steps for a Planning Application. The following graphics show the workflow for a planning application:



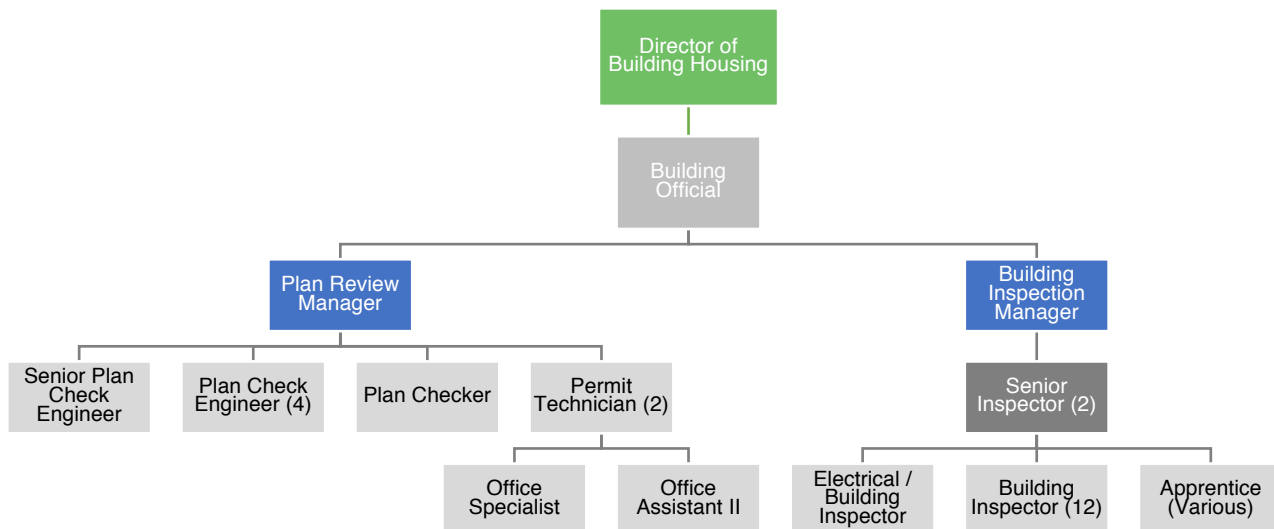
The flowchart indicates there are a variety of steps that need to take place in order for a Planning application process to be fully completed and processed. Part of this process also includes taking in the initial deposit amount and making sure that appropriate hours are tracked to the Private Job (PJ) account.

3. Building and Housing

The Building Division is responsible for the enforcement of the City's building and life safety codes through the application review, permitting, and inspection processes. Building is comprised of two operational areas: Plan Check and Inspection. It should be noted the Housing and Code Enforcement related activities of this Department are not included in this study as they do not directly relate to the development review process.

1 ORGANIZATIONAL STRUCTURE

The following chart outlines the organization of functions in the Building Division portion of the Building and Housing Department. The Housing and Code Enforcement sections are not represented below.



2 STAFFING

The following table provides the personnel and major tasks of staff for the Building Department.

Unit / Division	Curr.	Auth.	Position	Description
Administration	1	1	Director	- Provides oversight and direction to staff of the Division. - Actively participates in the day-to-day operational oversight of the division ensuring continuous operations of the Building Department.

Unit / Division	Curr.	Auth.	Position	Description
Plan Check	1	1	Building Official	Building Official provides oversight of all Building related operations of the Department and is responsible for administration of both plan check and inspection activities, including the resolution of issues.
	0	1	Plan Review Manager	Plan Review Manager serves as the Supervisor of unit and is responsible for the day to day administration of the unit. Also conducts plan check functions for major projects.
	1	1	Senior Plan Check Engineer	Senior Plan Check Engineer is responsible for conducting plan check on complex projects and providing support to Plan Checkers.
	1	4	Plan Check Engineer	Conduct plan check functions for the City related to all building applications and permits.
	1	1	Plan Checker	- Plan Checkers reviews over the counter permits for customers and issues permits in conjunction with permit technicians. - Works with inspectors to resolve design / inspection issues in the field.
	1	2	Permit Technician	Permit Technicians are responsible for the intake of all building applications, inputting information into the software system and responsible for the routing of plans to all reviewers. Assist in the issuance of permits.
	1	0	Permit Technician – Contract	
	1	1	Office Specialist	Office Specialist / Assistants serve as receptionist for City Hall and the Building Department, they may also input new applications into the software system. Assist customers with answering review related questions and calculate fees associated with application review and permit issuances.
	1	1	Office Assistant II	
Inspections	1	1	Inspection Manager	Manager oversees the administrative functions and ensures the day-to-day operations of the unit. Assists in the resolution of issues in the field and supports permit counter staff for inspection related inquiries.
	2	2	Senior Building Inspector	Responsible for conducting all building inspections related to construction within the City.
	1	1	Electrical / Building Inspector	Seniors serve as leads for inspection teams and are responsible for the assignment of workload among all inspectors.
	5	9	Building Inspector	Inspectors conduct field inspections for building permits.

Unit / Division	Curr.	Auth.	Position	Description
	2	3	Building Inspector (Temporary)	- Inspectors assist with counter inquiries. - Temporary inspectors perform the same duties as Building Inspectors, while classified as temporary they are full time inspectors.
	0	3	Apprentice	Apprentice are newly hired individuals who are receiving on the job training and obtaining inspector certifications with the intent of becoming Temporary Building Inspectors.

3 EXPENDITURES AND REVENUE

The project team also collected information regarding expenditures and revenue for the Building Department. The following table shows for the past three fiscal years and the current year, the expenses and revenues associated with the Building Department broken out by major cost category and revenue type:

Category	FY16	FY17	FY18	FY19 Adopted
Personnel Services	\$2,797,979	\$3,180,751	\$4,847,474	\$5,213,095
Supplies & Contractual	\$95,914	\$160,935	\$191,088	\$172,196
TOTAL BUILDING EXPENSES	\$2,893,893	\$3,341,686	\$5,038,562	\$5,385,291
Building Permits & Plan Check	\$5,871,202	\$7,545,221	\$9,981,598	\$7,199,714
Building Service Charges	\$2,182	\$3,676	\$2,566	\$1,500
PJ Overhead Charges - Building	\$941	\$1,921	\$1,740	\$0
PJ Labor Reimbursement - Bldg	\$4,609	\$977	\$806	\$0
Building State Mandated Fee	\$11,918	\$20,599	\$11,835	\$15,000
Records Retention Bldg	\$63,540	\$99,247	\$94,575	\$75,000
TOTAL BUILDING REVENUE	\$5,954,392	\$7,671,641	\$10,093,120	\$7,291,214
NET BUILDING COSTS	\$3,060,499	\$4,329,955	\$5,054,558	\$1,905,923
BUILDING COST RECOVERY %	206%	230%	200%	135%

As the table indicates, the Building Department has significant net costs on an annual basis from a high of \$5.0 million in FY18 to a projected low surplus of \$1.9 million in FY19. However, it is important to note that it is expected for Building Departments to generate higher revenue than costs, as the revenue collected is meant to cover the cost of plan review and permits for future years as well as the current year. The Building Department's costs have increased significantly and this is due to an increase in staffing levels.

4 WORKLOAD

The Building Department provided data regarding the types and number of permits and applications processed. The following table shows by major category of development activity the number of permits processed for the last three fiscal years.

Development Project Type	FY16 # of Permits	FY17 # of Permits	FY18 # of Permits
Buildings greater than 50,000 sq. ft.	14	23	13
Commercial New Buildings / Additions less than 50,000 sq. ft.	47	149	26
Commercial Tenant Improvement less than 50,000 sq. ft.	93	107	108
Commercial Alteration and Miscellaneous	223	288	270
Single Family Residential New Building	106	34	7
Other permit types (MEP, Small Projects, etc.)	4,068	4,391	4,554
TOTAL PERMITS	4,551	4,992	4,978

As the table indicates, the number of permits has been between 4,500 to 5,000 permits annually. The largest number and volume of permits is the standalone or unique permits. However, in FY17 there was a significant bump in projects or buildings greater than 50,000 sq. ft. This was primarily due to the Building Code change and update that year, which resulted in updated rules and regulations for permit compliance and conformance.

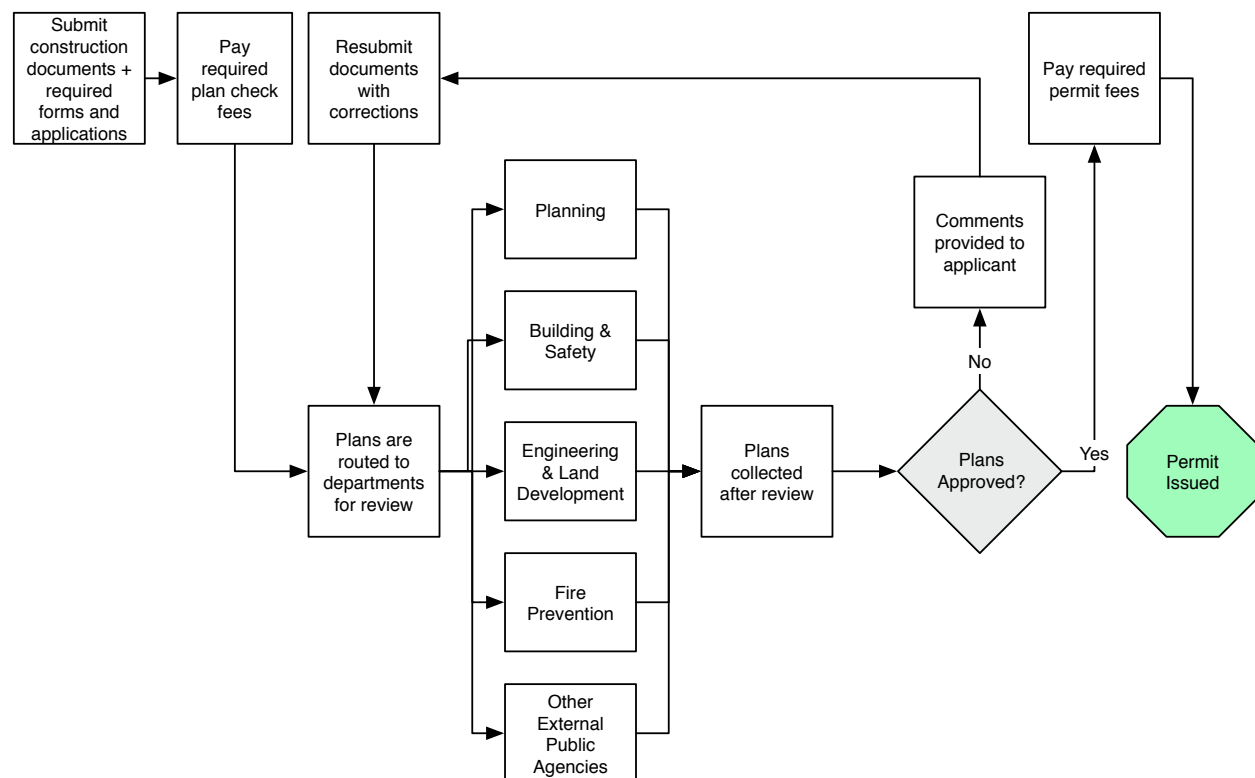
The project team also collected information such as the number of plan reviews conducted and inspections completed. The following table shows the number of plan checks submitted and the number of inspections completed.

Category	FY16	FY17	FY18
Plan Checks submitted	1,330	1,655	1,473
Inspections completed	17,221	18,235	25,530

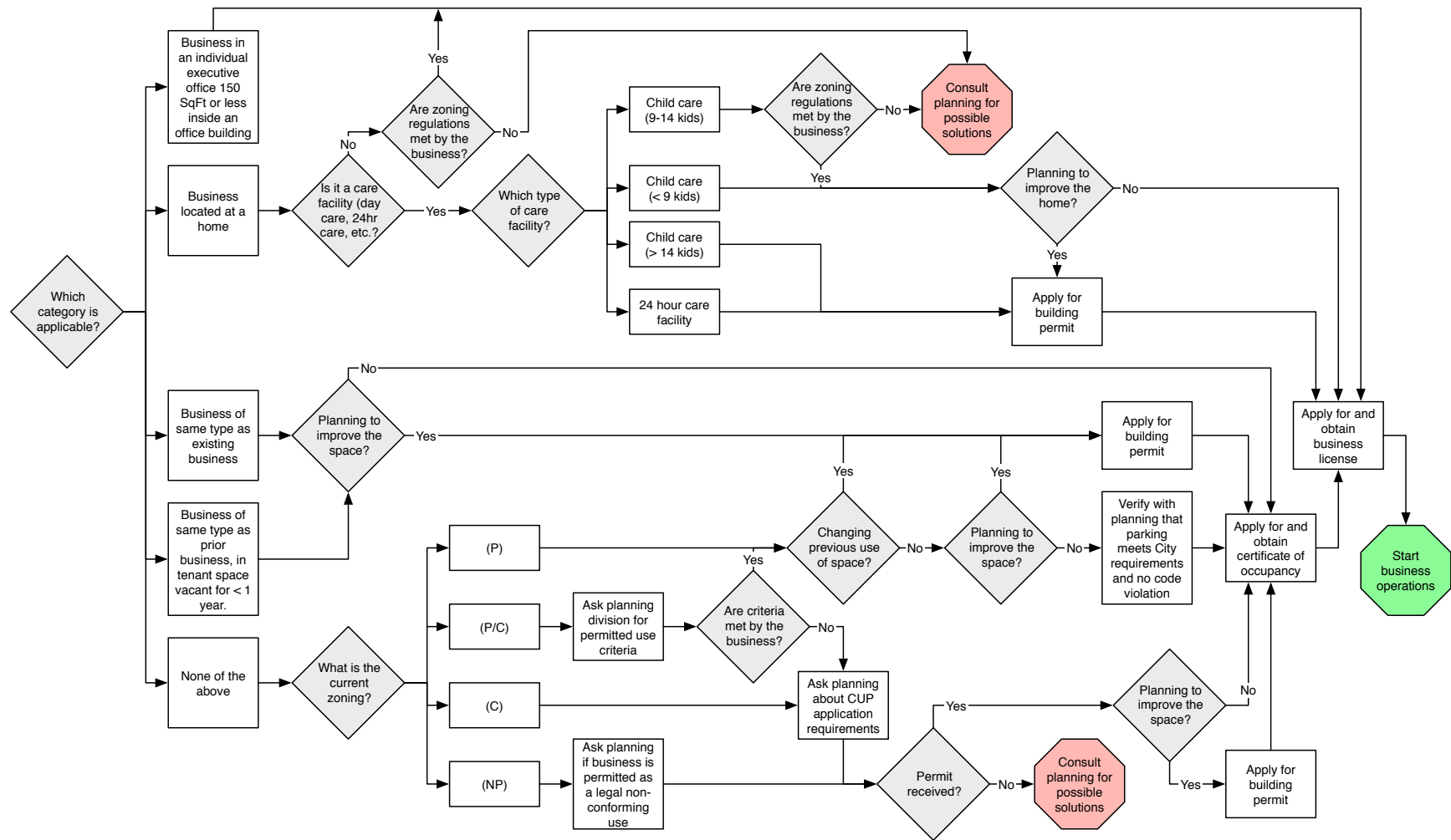
As the table indicates, the activity for Plan checks initially increased between FY16 and FY17, but declined in FY18. However, the inspection activity has increased consistently each year. Between FY16 and FY18 the number of inspections completed increased by approximately 48%.

5 BUILDING WORKFLOW

Based upon interviews with staff and existing workflows for the Department, the project team developed the following Building Workflow.



As the flowchart indicates Building is not the only department involved in the review of building plans. Once the Building plans are reviewed and approved, the Building Permit fees are collected and building permit issued. However, upon permit issuance is when all the different inspections to ensure compliance commence, prior to issuance of the Certificate of Occupancy. The following flowchart provides a more detailed overview of the entire process.

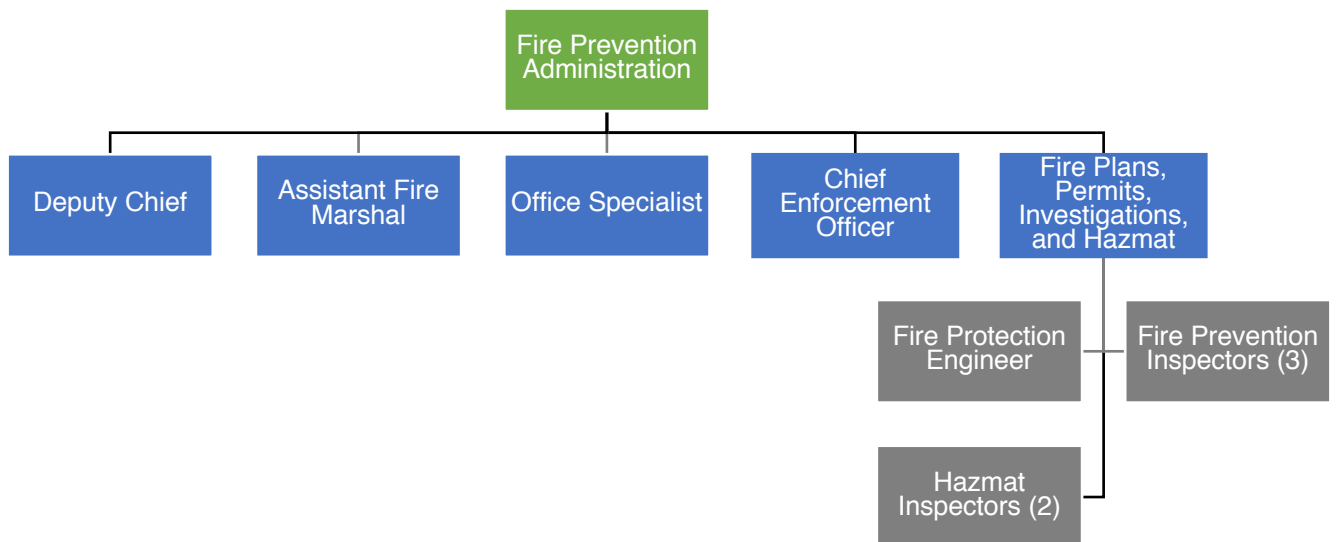


4. Fire Department

The Fire Department is responsible for enforcement of the fire code along with ensuring life safety components for all construction activities within the City. Additionally, they are responsible for the permitting and inspection of hazardous materials. These services are found under the Fire Prevention division within the Fire Department.

1 ORGANIZATIONAL STRUCTURE

The following chart outlines the organization of the Fire Prevention division.



2 STAFFING

The following table provides the personnel and major tasks of staff for functional areas within Fire Prevention.

Unit / Division	Curr.	Auth.	Position	Description
Administration	1	1	Deputy Chief	- Provides administrative and day-to-day oversight of the Fire Prevention Division. - Supports the Deputy Chief in their duties, and serves in their absence.
	1	1	Assistant Fire Marshal	- Coordinates the plan review and inspection process. - Conducts plan review for all development applications.

Unit / Division	Curr.	Auth.	Position	Description
	1	1	Chief Enforcement Officer	Enforcement Officer is task with conducting inspections, investigation, and enforcement issues related to the adopted fire code. Has the ability to cite for violations. Performs compliance checks for projects under construction and finished projects.
	1	1	Office Specialist	Office Specialist provides administrative support to the Unit and is responsible for scheduling fire inspection requests.
Fire Plans & Permits	0	1	Fire Protection Engineer	Serves as the primary plan checker for fire prevention, suppression, and fire alarm applications for the City.
Inspections & Investigations	3	3	Fire Prevention Inspector	Responsible for conducting fire prevention inspections for facilities under construction. Additionally, conduct annual fire related inspections.
HazMat	2	2	HazMat Inspector	Conduct plan review for hazardous material applications. Conducts inspections during the construction process and as required by law thereafter.

3 EXPENDITURES AND REVENUE

The project team also collected information regarding expenditures and revenue for the Fire Prevention Division. The following table shows for the past three fiscal years and the current year, the expenses and revenues associated with the Fire Prevention Division broken out by major cost category and revenue type:

Category	FY16	FY17	FY18	FY19 Adopted
Personnel Services	\$1,826,311	\$1,770,140	\$2,465,352	\$2,762,911
Supplies & Contractual	\$80,324	\$60,902	\$124,478	\$95,331
TOTAL FIRE PREVENTION EXPENSES	\$1,906,635	\$1,831,042	\$2,589,830	\$2,858,242
Fire Permits (includes Hazardous Materials)	\$1,264,284	\$1,793,371	\$1,743,708	\$1,915,000
Life Safety Annual Permits	\$301,963	\$291,477	\$286,929	\$455,000
Fire Inspections	\$110,454	\$126,608	\$226,254	\$212,000
PJ Overhead Charges - Fire	\$21,391	\$13,545	\$10,605	\$10,000
PJ Labor Reimbursement - Fire	\$13,258	\$7,695	\$5,722	\$5,000
Unwanted Alarms - Fire	\$45,300	\$31,200	\$31,500	\$40,000
Fire Enforcement	\$0	\$0	\$7,941	\$0
Sale of Maps & Documents - Fire	\$15	\$6	\$30	\$0
Fire Electronic Archive	\$9,325	\$11,332	\$12,800	\$10,000
Fire GIS Mapping	\$164	\$0	\$0	\$0
Fire Automation Fee	\$21,912	\$22,381	\$22,102	\$22,000
TOTAL FIRE PREVENTION REVENUE	\$1,788,066	\$2,297,615	\$2,347,591	\$2,669,000
NET FIRE PREVENTION COSTS	(\$118,569)	\$466,573	(\$242,239)	(\$189,242)
FIRE PREVENTION COST RECOVERY %	94%	125%	91%	93%

As the table indicates the Fire Prevention Division's costs have increased significantly between FY17 and FY18 due to staffing increases. Overall, the Fire Prevention division generally is showing a deficit, with a surplus in FY17. The amount of the deficit varies from a low of \$119,000 to a high of \$242,000. The department is recovering between 91% to 94% of its costs.

4 WORKLOAD

Workload information was requested by the project team for the Fire Prevention Division. The following table shows the number of permits by type for the past three fiscal years:

Permit Type	FY16 # of Permits	FY17 # of Permits	FY18 # of Permits
Building Construction Permits	409	497	343
Building Occupancy Permits	217	237	262
Planning Use Permits	16	7	8
Fire Permits	704	930	956
TOTAL PERMITS	1,346	1,671	1,569

As the table above indicates, the workload for the Fire Prevention division has increased over the past three fiscal years, with the biggest workload increase in relation to Fire permits, which covers Fire Code permits and Hazardous material permits.

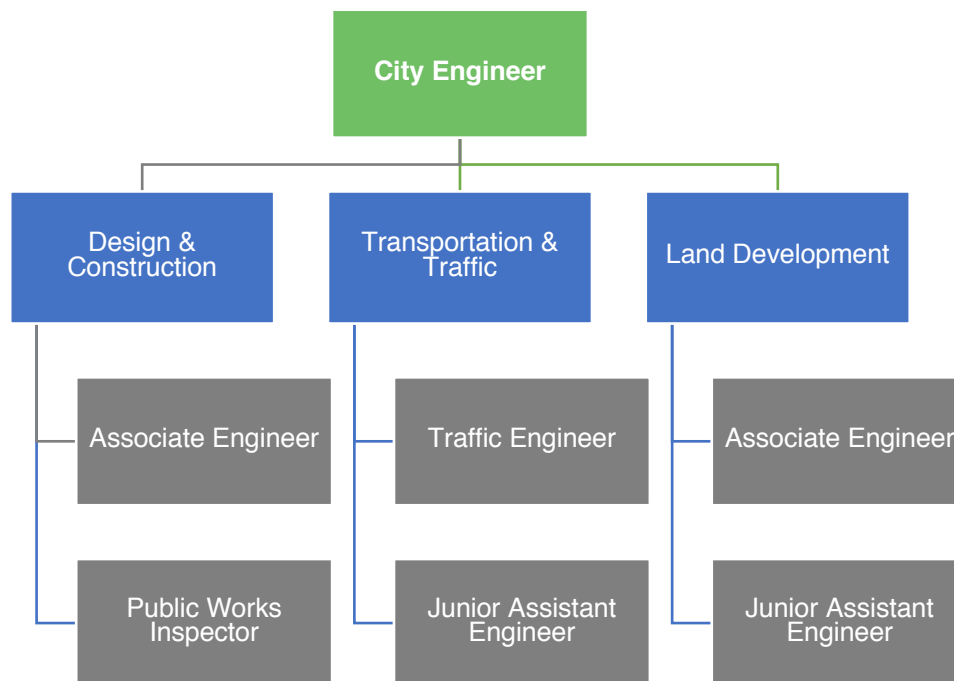
The Fire Prevention Division is also responsible for conducting annual Fire business inspections. On average, the Division is responsible for inspecting approximately 1,011 businesses annually.

5. Engineering

Engineering is responsible for the review and permitting of private land development within the City. Responsibilities include review of traffic impact and transportation analysis for new development projects, management of the national flood insurance program, municipal storm water program, issuance of encroachment permits, and construction inspections of capital improvements for private development projects.

1 ORGANIZATIONAL STRUCTURE

The following chart outlines the positions that are responsible for development review and permitting functions within Engineering and their respective functional groups.



2 STAFFING

The following table provides the personnel and major tasks of staff tasked with development review and permitting activities within Engineering.

Unit / Division	Curr.	Auth.	Position	Description
Traffic Engineering	1	1	Traffic Engineer	Direct and manage the traffic priorities for the City.
	1	1	Associate Civil Engineer	Review development plans for existing and proposed traffic control signs and signs.

Unit / Division	Curr.	Auth.	Position	Description
Land Development	1	1	Junior / Asst. Civil Engineer	• Coordinate with Public Works and Land Development regarding design of development projects and impact on roadways.
	1	1	Principal Civil Engineer	Responsible for the review all development applications for compliance with civil and site development regulations.
	3	3	Associate Engineer	
	2	2	Junior Engineer	• Junior Engineer works with Supervising Principal Engineer on review of projects, conducts basic and functional review of development projects, and coordinates with inspection staff.
	1	1	Engineer Aide	• Conducts basic and functional review of development projects, and coordinates with inspection staff.
	2	1	Administrative Analyst	
	1	1	Sr. Public Works Inspector	• Responsible for private development infrastructure inspections that are in the City's right-of-way or connects to the City's utility network.
	2	2	Public Works Inspector	
	1	1	Temp. PW Inspector	
	1	1	Public Works Inspector	• Inspections are billed to PJ accounts for land development.

3 EXPENDITURES AND REVENUE

The project team also collected information regarding expenditures and revenue for the Engineering Department. The following table shows for the past three fiscal years and the current year, the expenses and revenues associated with Engineering broken out by major cost category and revenue type:

Category	FY16	FY17	FY18	FY19 Adopted
Personnel Services	\$2,724,544	\$2,492,434	\$2,911,337	\$3,710,009
Supplies & Contractual	\$3,865,697	\$3,463,237	\$1,325,281	\$874,044
TOTAL ENGINEERING EXPENSES	\$6,590,241	\$5,955,671	\$4,236,618	\$4,584,053
PJ Overhead Charges - PW / E	\$646,615	\$504,879	\$976,091	\$1,042,000
PJ Labor Reimbursement - PW / E	\$272,721	\$176,707	\$350,800	\$700,000
PJ Vendor Reimbursement - PW / E	\$902,005	\$880,073	\$45,000	\$300,000
Engineering Plan Check Fee	\$2,440	\$15,264	\$2,000	\$2,000
Sale of Maps and Doc - PW / Eng.	\$4,049	\$3,864	\$2,000	\$2,000
Rent, Lease, & Concession - PW / Eng.	\$28,000	\$28,000	\$25,000	\$25,500
Encroachment	\$4,950	-\$11,383	\$15,000	\$15,000
TOTAL ENGINEERING REVENUE	\$1,860,780	\$1,597,404	\$1,415,891	\$2,086,500
NET ENGINEERING COSTS	(\$4,729,461)	(\$4,358,267)	(\$2,820,727)	(\$2,497,553)
ENGINEERING COST RECOVERY %	28%	27%	33%	46%

As the table indicates, Engineering costs have declined, which is due to reimbursements from CIP. The net costs for the Department have declined due to lowering costs and increased revenue, which has resulted in increased cost recovery for the Department.

4 WORKLOAD

The following table shows some basic workload information and performance measures for the Engineering Division for the last three years.

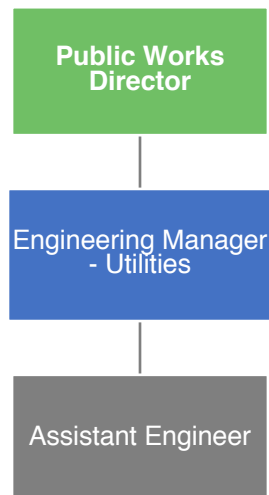
Performance Measures	Actual 2015-16	Actual 2016-17	Projected 2017-18	Estimated 2018-19
Review first submittals of private development plans within 20 working days	85%	25%	35%	75%
Encroachment Permits Processed	178	158	203	225
Development Improvement Agreements prepared for Council	6	10	9	10

6. Public Works

The Public Works Department is responsible for a variety of functions, including: maintenance, traffic signals, facilities, fleet services, and utilities. In the context of development services, the Public Works department reviews projects that have an impact on the utility infrastructure for the City.

1 ORGANIZATIONAL STRUCTURE

The following chart outlines the positions that are responsible for development review and permitting functions within Public Works and their respective functional groups.



2 STAFFING

The following table provides the personnel and major tasks of staff tasked with development review and permitting activities within Public Works.

Unit / Division	Curr.	Auth.	Position	Description
Utilities Engineering	1	1	Engineering – Manager Utilities	Engineering Manager is responsible for conducting complicated development reviews and ensuring compliance with regulatory standards.
	3	3	Assistant Engineer	Assistant Engineer conducts all basic development reviews for projects that impact utilities as well as provide comments regarding the requirements for any utility mitigation plans – Storm water, Water, Sewer, Trash, etc.

3 EXPENDITURES AND REVENUE

The project team also collected information regarding expenditures and revenue for the Utilities Engineering Section. The following table shows for the past three fiscal years and the current year, the expenses and revenues associated with Utilities Engineering broken out by major cost category and revenue type:

Category	FY16	FY17	FY18	FY19 Adopted
Personnel Services	\$0	\$0	\$1,382,945	\$1,165,981
Supplies & Contractual	\$0	\$0	\$762,350	\$769,523
TOTAL UTILITIES ENGINEERING EXPENSES	\$0	\$0	\$2,145,295	\$1,935,504
Public Works Cost Recovery	\$19,692	\$103,116	\$20,000	\$20,000
TOTAL UTILITIES ENGINEERING REVENUE	\$19,692	\$103,116	\$20,000	\$20,000

Category	FY16	FY17	FY18	FY19 Adopted
NET UTILITIES ENGINEERING COSTS	\$19,692	\$103,116	(\$2,125,295)	(\$1,915,504)
UTILITIES ENGINEERING COST RECOVERY %	0%	0%	1%	1%

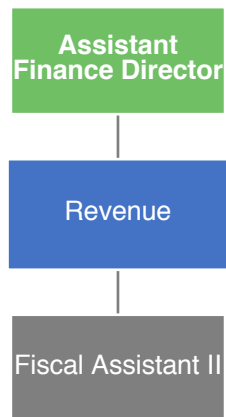
As the table indicates, the Utilities Engineering Division is a new division; however, its budgeted revenues as compared to its expenditures are resulting in a deficit. It is important to note that the entire budget for the Utilities Engineering division should not be offset from development fee revenue as there are other functions of that division.

7. Finance

The City's Finance Department consists of a variety of divisions and services, including: accounting, budget, purchasing, and administration. The City's Accounting Division is closely involved in the Development review process, as that division is responsible for reviewing and processing the Private Job (PJ) accounts.

1 ORGANIZATIONAL STRUCTURE

The following chart provides the reporting structure and functional location of the two positions involved in the PJ accounts process.



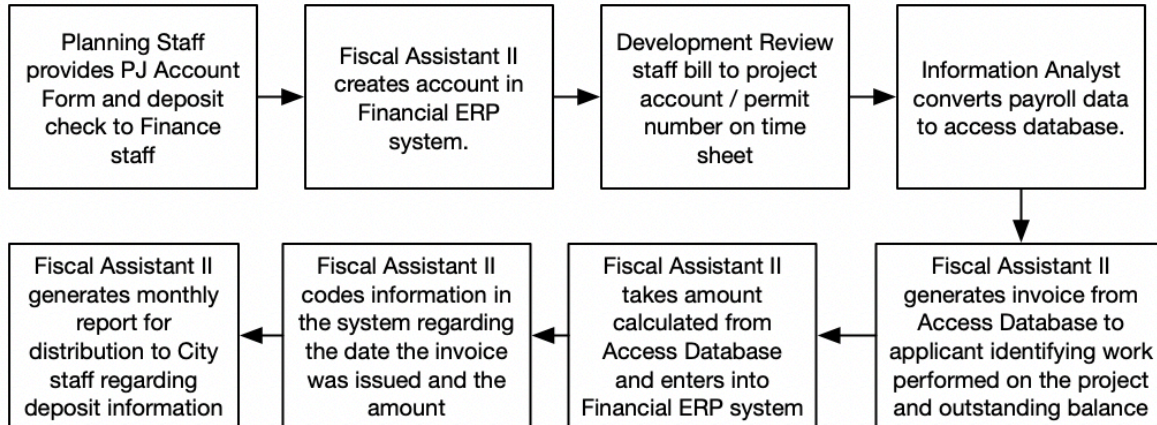
2 STAFFING

The following table provides the personnel and major tasks of staff tasked with development review activities within Finance.

Unit / Division	Curr.	Auth.	Position	Description
Administration	1	1	Assistant Finance Director	Oversees and manages the PJ account process including reviewing outstanding invoices and working with staff in Development services to review those accounts.
Revenue	1	1	Fiscal Assistant II	Fiscal Assistant II is the primary position responsible for inputting, tracking, and issuing invoices associated with deposit-related services.

3 FINANCE DEPOSIT ACCOUNT PROCESS

The project team met with staff in the Finance department to discuss the PJ account process and identify the steps involved in processing deposits. The following graphic shows the workflow for PJ accounts.



As the process indicates, there are two main systems that are utilized by the Finance staff – Access Database and Finance ERP system.

8. Local Ordinances and Statues

The following table summarizes the key statutes, ordinances, and regulations enforced by the various development review divisions as part of the discretionary land use entitlement and building review and permitting process.

Statute, Ordinance, or Regulation (Local Only)	Department(s) Utilizing	Issues Regulated
Title II Building Regulations	Building Department and Fire	All building regulations including: permitting, solar, demolition, commercial and residential building codes, mechanical, electrical, plumbing, fence, pools / spas, energy code, grading, excavation, and erosion, green building, historical structures, and various other building related issues.
Title VIII Public Works	Public Works and Engineering	Public utilities (water and waste water), backflow regulations, water conservation and landscaping.
Title X Streets and Sidewalks	Public Works and Engineering	Regulation of infrastructure in the public right-of-way.
Title XI Zoning, Planning, and Annexation	Planning, Public Works, and Engineering	Land use regulations, including zoning, land subdivision, private and public improvements, storm water, and floodplain.
Title V – Public Health, Safety, and Welfare	Fire Department	Chapter 300 – State adopted fire code and locally adopted amendments. Chapter 301-303 – Hazardous material permitting, inspection, removal, and remediation.

It should be noted that a variety of regional, state, and federal standards also apply to the development review and permitting process. Due to the large volume of individual regulations, these regulations will not be listed as part of this document.

Report on the Development Review Cost of Services (User Fee) Study

CITY OF MILPITAS, CALIFORNIA



April 2019

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1. Introduction and Executive Summary

This report presents the results of the Cost of Services (User Fee) Study conducted by the Matrix Consulting Group for the City of Milpitas as it relates to their Development Review functions.

1 PROJECT BACKGROUND AND SCOPE OF WORK

The Matrix Consulting Group was retained by the City of Milpitas to assess the organizational structure, staffing levels, service delivery, and user fees related to the development review, permitting, and inspection process. The study was designed to provide an understanding of these operation and potential opportunities for improvement. The results of the organizational review and analysis have been provided under separate cover to the City.

Development review, permitting, and inspection activities for the City of Milpitas occur in multiple city departments including: Planning, Building, Fire, Engineering (Land Development and Traffic), and Public Works (Utilities Engineering). The project team worked with staff in those departments to analyze the cost of service relationships that exist between fees for service activities.

The results of this Study provide a tool for understanding current service levels, the cost and demand for those services, and what fees for service can and should be charged. Implementation of these results will allow the City to align streamlined processes with fees that accurately account for the services provided, and provide applicants with a reliable and more predictable schedule of fees.

2 GENERAL PROJECT APPROACH AND METHODOLOGY

The methodology employed by the Matrix Consulting Group is a widely accepted “bottom up” approach to cost analysis, where time spent per unit of fee activity is determined for each position within a Department or Division. Once time spent for a fee activity is determined, all applicable City costs are then considered in the calculation of the “full” cost of providing each service. The following table provides an overview of the cost components used to establish the “full” cost of providing services included in this Study:

Table 1: Cost Components Overview

Cost Component	Description
Direct	Fiscal Year 2018/19 Budgeted salaries, benefits and allowable expenditures.
Indirect	Division, departmental administration / management and clerical support. Citywide overhead costs were also included from the City's most recent version of the Cost Allocation Plan.

Together, the cost components in the table above comprise the calculation of the total “full” cost of providing any particular service, regardless of whether a fee for that service is charged.

The work accomplished by the Matrix Consulting Group in the analysis of the proposed fees for service involved the following steps:

- **Staff Interviews:** The project team interviewed City staff from different departments regarding their need for clarification to the structure of existing fee items, or for addition of new fee items.
- **Stakeholder Interviews:** The project team held several stakeholder meetings to interview members of the City's Community Development Roundtable, and provide others in the community to provide input regarding the City's current processes as it relates to fees.
- **Data Collection:** Data was collected for each permit / service, including time estimates. In addition, all budgeted costs and staffing levels for Fiscal Year 18/19 were entered into the Matrix Consulting Group's analytical model.
- **Cost Analysis:** The full cost of providing each service included in the analysis was established.
- **Review and Consensus of Results with City Staff:** Department and City management have reviewed and reached consensus regarding these documented results.

A more detailed description of user fee methodology, as well as legal and policy considerations are provided in subsequent chapters of this report.

3 SUMMARY OF RESULTS

When comparing FY 18-19 fee-related budgeted expenditures with fee-related revenue generated in Fiscal FY 17-18 the City is under-recovering its costs for development review activities by approximately \$2.0 million and recovering about 81% of its fee-related costs annually. The following table outlines these results on a departmental basis:

Table 2: Departmental Cost Recovery Based on Fee-Related Revenue & Expenditures

Department	Revenue at Current Fee	Total Annual Cost	Annual Surplus / (Deficit)	Cost Recovery %
Building	\$5,034,660	\$6,348,836	(\$1,314,176)	79%
Engineering (Land Dev.)	\$1,381,091	\$1,389,480	(\$8,389)	99%
Fire Prevention	\$2,104,851	\$2,500,347	(\$395,496)	84%
Planning	\$343,763	\$667,262	(\$323,499)	52%
TOTAL	\$8,864,365	\$10,905,925	(\$2,041,560)	81%

If the City were able to charge full cost for all of its services it would be able to recover approximately \$2.0 million in additional revenue. The primary source of this deficit is Building Fees associated with standalone permits. The detailed documentation of the Study will show an over-collection for certain fees (on a per unit basis), and an undercharge for others. Overall, the City is providing an annual subsidy to fee payers for fee-related services included in this analysis.

The display of the cost recovery figures shown in this report are meant to provide a basis for policy development discussions among Council members and City staff, and do not represent a recommendation for where or how the Council should act. The setting of the “rate” or “price” for services, whether at 100 percent full cost recovery or lower, is a policy decision to be made only by the Council, often with input from City staff and the community.

4 CONSIDERATIONS FOR COST RECOVERY POLICY AND UPDATES

The Matrix Consulting Group recommends that the City use the information contained in this report to discuss, adopt, and implement a formal Cost Recovery Policy, and a mechanism for the annual update of fees for service.

1 Adopt a Formal Cost Recovery Policy

While the City already has a formalized policy as part of its ordinance (Refer to Table 39 of this report), the Matrix Consulting Group strongly recommends that the City amend the ordinance to reference an internal policy document. The internal policy document should represent cost recovery levels for each department included in this Study. This will enable

City staff and Council to make amendments and changes to the policy document depending upon development climate and affordability. Whenever a cost recovery policy is established at less than 100% of the full cost of providing services, a known gap in funding is recognized and must be recovered through other revenue sources and / or general fund subsidy. The Matrix Consulting Group considers a formalized cost recovery policy for various fees for service an industry Best Management Practice.

2 Adopt an Annual Fee Update / Increase Mechanism

The purpose of a comprehensive update is to completely revisit the analytical structure, service level estimates and assumptions applied in previous studies, and to account for any major shifts in cost components or organizational structures. The Matrix Consulting Group believes it is a best management practice to perform a complete update of a Fee Assessment every 3 to 5 years. In between comprehensive updates, the City could utilize published industry economic factors such as CPI or other regional factors to update the cost calculations established in the Study on an annual basis. The City could also consider the use of its own anticipated labor cost increases such as step increases, benefit enhancements, or cost of living raises. Utilizing an annual increase mechanism would ensure that the City receives appropriate fee and revenue increases that reflect growth in costs.

2. Legal Framework and Policy Considerations

A “user fee” is a charge for service provided by a governmental agency to a public citizen, customer, or group. In California, several constitutional laws such as Propositions 13, 4, and 218, State Government Codes 66014 and 66016, and more recently Prop 26 and the Attorney General’s Opinion 92-506 set the parameters under which the user fees typically administered by local government are established and administered. Specifically, California State Law, Government Code 66014(a), stipulates that user fees charged by local agencies “...may not exceed the estimated reasonable cost of providing the service for which the fee is charged”.

1 GENERAL PRINCIPLES AND PHILOSOPHIES REGARDING USER FEES

Local governments are providers of many types of general services to their communities. While all services provided by local government are beneficial to constituents, some services can be classified as globally beneficial to all citizens, while others provide more of a direct benefit to a specific group or individual. The following table provides examples of services provided by local government within a continuum of the degree of community benefit received:

Table 3: Services in Relation to Benefit Received

“Global” Community Benefit	“Global” Benefit and an Individual or Group Benefit	Individual or Group Benefit
• Police • Park Maintenance	• Recreation / Community Services • Fire Suppression / Prevention	• Building Permits • Planning and Zoning Approval • Site Plan Review • CUPA • Facility Rentals

Funding for local government is obtained from a myriad of revenue sources such as taxes, fines, grants, special charges, user fees, etc. In recent years, alternative tax revenues, which typically offset subsidies for services provided to the community, have become increasingly limited. These limitations have caused increased attention on user fee activities as a revenue source that can offset costs otherwise subsidized (usually) by the general fund. In Table 3, services in the “global benefit” section tend to be funded primarily through voter approved tax revenues. In the middle column of the table, one typically finds a mixture of taxes, user fee, and other funding sources. Finally, in the “individual / group benefit” section of the table, lie the services provided by local government that are typically funded almost entirely by user fee revenue.

The following are two central concepts regarding the establishment of user fees:

- **Fees should be assessed according to the degree of individual or private benefit gained from services.** For example, the processing and approval of a land use or building permit will generally result in monetary gain or benefit only to the applicant, whereas Police services and Fire Suppression are examples of services that are essential to the safety of the community at large.
- **A profit-making objective should not be included in the assessment of user fees.** In fact, California laws require that the charges for service be in direct proportion to the costs associated with providing those services. Once a charge for service is assessed at a level higher than the actual cost of providing a service, the term “user fee” no longer applies. The charge then becomes a tax subject to voter approval.

Therefore, it is commonly accepted that user fees are established at a level that will recover up to, and not more than, the actual fully loaded cost of providing a particular service.

2 GENERAL POLICY CONSIDERATIONS REGARDING USER FEES

Undoubtedly, there are programs, circumstances, and services that justify a subsidy from a tax based or alternative revenue source. However, it is essential that jurisdictions prioritize the use of revenue sources for the provision of services based on the continuum of benefit received.

Within the services that are typically funded by user fees, the Matrix Consulting Group recognizes several reasons why City staff may not advocate the full cost recovery of particular services. The following factors are key policy considerations in setting fees at less than 100 percent of cost recovery:

- **Limitations posed by an external agency.** The State or an outside agency will occasionally set a maximum, minimum, or limit the jurisdiction’s ability to charge a fee at all. Examples include the Transportation Permits in Public Works, as well as Public Records Requests for charging for time spent copying and retrieving public documents in the City’s Administrative office.
- **Encouragement of desired behaviors.** Keeping fees for certain services below full cost recovery may provide increased compliance from the community. For example, if the cost of a permit for a water heater is greater than the actual cost of purchasing a water heater, it might discourage residents from pulling permits.
- **Effect on demand for a particular service.** Sometimes raising the “price” charged for services might reduce the number of participants in a program. This is

largely the case in Parks and Recreation Programs, such as camps and classes, where participants may compare the City's fees to surrounding jurisdictions or other options for support activities.

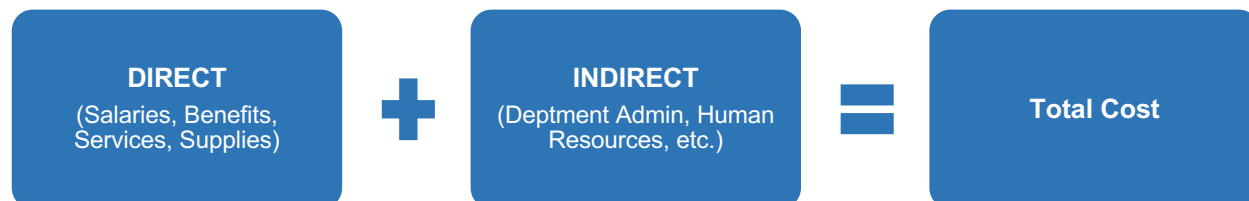
- **Benefit received by user of the service and the community at large is mutual.** Many services that directly benefit a group or individual equally benefit the community as a whole. Examples include community event booth inspections, multi-family housing inspections with affordable housing component.

The Matrix Consulting Group recognizes the need for policies that intentionally subsidize certain activities. The primary goals of a User Fee Study are to provide a fair and equitable basis for determining the costs of providing services, and assure that the City complies with State law.

Once the full cost of providing services is known, the next step is to determine the "rate" or "price" for services at a level which is up to, and not more than the full cost amount. The City Council is responsible for this decision, which often becomes a question of balancing service levels and funding sources. The placement of a service or activity within the continuum of benefit received may require extensive discussion and at times fall into a "grey area". However, with the resulting cost of services information from a User Fee Study, the City Council can be assured that the adopted fee for service is reasonable, fair, and legal.

3. User Fee Study Methodology

The Matrix Consulting Group utilizes a cost allocation methodology commonly known and accepted as the “bottom-up” approach to establishing User Fees. The term means that several cost components are calculated for each fee or service. These components then build upon each other to comprise the total cost for providing the service. The following chart describes the components of a full cost calculation:



The general steps utilized by the project team to determine allocations of cost components to a particular fee or service are:

- Calculate fully burdened hourly rates by position, including direct & indirect costs;
- Develop time estimates for each service included in the study; and
- Distribute the appropriate amount of other cost components to each fee or service based on the staff time allocation basis, or another reasonable basis.

The results of these allocations provide detailed documentation for the reasonable estimate of the actual cost of providing each service. The following sections highlight critical points about the use of time estimates and the validity of the analytical model.

1 TIME ESTIMATES ARE A MEASURE OF SERVICE LEVELS REQUIRED TO PERFORM A PARTICULAR SERVICE

One of the key study assumptions utilized in the “bottom up” approach is the use of time estimates for the provision of each fee related service. Utilization of time estimates is a reasonable and defensible approach, especially since experienced staff members who understand service levels and processes unique to the City developed these estimates.

The project team worked closely with City staff in developing time estimates with the following criteria:

- Estimates are representative of average times for providing services. Estimates for extremely difficult or abnormally simple projects are not factored into this analysis.

- Estimates reflect the time associated with the position or positions that typically perform a service.
- Estimates provided by staff are reviewed and approved by the division / department, and often involve multiple iterations before each final time estimate is finalized and used in the Fee Study.
- Estimates are reviewed by the project team for “reasonableness” against their experience with other agencies.
- Estimates were not based on time in motion studies, as they are not practical for the scope of services and time frame for this project.

The Matrix Consulting Group acknowledges that while the use of time estimates is not perfect, it is the best alternative available for setting a standard level of effort on which to base a jurisdiction’s fees for service, and this approach meets and is consistent with the requirements of California law.

The alternative to time estimating is actual time tracking, often referred to billing on a “time and materials” basis. Except in the case of anomalous or sometimes very large and complex projects, the Matrix Consulting Group believes this approach to not be cost effective or reasonable for the following reasons:

- Accuracy in time tracking is compromised by the additional administrative burden required to track, bill, and collect for services in this manner.
- Additional costs are associated with administrative staff’s billing, refunding, and monitoring deposit accounts.
- Customers often prefer to know the fees for services in advance of applying for permits or participating in programs.
- Applicants may request assignment of less expensive personnel to their project.
- Departments can better predict revenue streams and staff needs using standardized time estimates and anticipated permit volumes.

Situations arise where the size and complexity of a given project warrants time tracking and billing on a “time and materials” basis. The Matrix Consulting Group has recommended taking a deposit and charging actual costs for such fees as appropriate and these will be discussed further in subsequent chapters.

2 CROSS CHECKS ENSURE THE VALIDITY OF OUR ANALYTICAL MODEL

In addition to the collection of time estimate data for each fee or service included in the User Fee Study, annual volume of activity data assumptions is also a critical component. By collecting data on the estimated volume of activity for each fee or service, a number of analyses are performed which not only provide useful information regarding allocation of staff resources, but also provide valuable cross checks that ensure the validity of each model. This includes assurance that 100% of staff resources are accounted for and allocated to a fee for service, or “other non-fee” related categories. Since there are no objectives to make a profit in establishing user fees, it is very important to ensure that services are not estimated at a level that exceeds budgeted resource capacity. By accounting for not more than 100% of staff resources, no more than 100% of costs will be allocated through the study.

4. Results Overview

The motivation behind a cost of services (user fee) analysis is for the City Council and departmental staff to maintain services at a level that is both accepted by and effective for the community, and also to maintain control over the policy and management of these services.

It should be noted that the results presented in this report are not a precise measurement. In general, a cost of service analysis takes a “snapshot in time”, where a fiscal year of adopted budgeted cost information is compared to the same fiscal year of revenue, and workload data available. Changes to the structure of fee names, along with the use of time estimates allow only for a reasonable projection of subsidies and revenue. Consequently, the City Council and department staff should rely conservatively upon these estimates to gauge the impact of implementation going forward.

Discussion of results in the following chapters is intended as a summary of extensive and voluminous cost allocation documentation produced during the study. Each chapter will include detailed cost calculation results for each major permit category including the following:

- **Modifications or Issues:** discussions regarding any revisions to the current fee schedule, including elimination or addition of fees.
- **“Per Unit” Results:** comparison of the full cost of providing each unit of service to the current fee for each unit of service (where applicable).
- **Annualized Results:** utilizing volume of activity estimates annual subsidies and revenue impacts were projected.
- **Jurisdictional Comparison:** a brief comparison of current permits and services with other local jurisdictions.

The full analytical results were provided to City staff under separate cover from this summary report.

5. Building

The Building and Housing Department in the City of Milpitas is responsible for enforcing the City's building's codes as well as reviewing construction plans, providing inspections, and processing permits. The Housing and Code Enforcement functions of the Department are minimally involved with the Department's fees. The following subsections provide an overview of modifications made to the Building department's fee schedules, the detailed per unit analysis results, the potential annual revenue impacts, and a comparison of certain fees to other jurisdictions.

1 FEE SCHEDULE MODIFICATIONS

In discussions with staff, it was determined that the current fee schedule in place by Building was cumbersome and complicated. Therefore, it was proposed that a clarified and streamlined fee schedule be developed for Building Services. The modifications to the fee schedule included the following:

- **Elimination of redundant categories:** The project team worked with staff to streamline the fee schedule by creating a singular category that could be applicable to multiple categories. For example, miscellaneous fees such as re-inspections or plan check revisions could be applicable to any permit and should just have a singular section.
- **Consolidation of similar categories:** The categories for residential remodels and new construction are fairly similar in terms of effort as well as number of stories; as such, the project team worked with staff to consolidate into a singular set of fees based upon the square footage of the residential project.
- **Expansion of Fee Categories:** Currently, the City only has fee schedules for a few types of occupancies, such as Tenant Improvements. There was discussion to expand the list of categories to add fee schedules to account for new construction permits, and account for all occupancy types.

Overall, the changes proposed to the Building Fee schedule will streamline, clarify, and create a more transparent fee schedule that allows for the department to administer a fee schedule in line with City staff and developer expectations.

2 PER UNIT ANALYSIS – FLAT FEES

The Building Department currently collects standalone fees for miscellaneous residential remodel projects, grading, site improvements, mobile home fees, mechanical, electrical, and plumbing fees. The total cost calculated for each service includes direct staff costs,

Departmental and Citywide overhead. The following table details the fee name, current fee, total cost, and surplus or deficit associated with each flat fee for Building.

Table 4: Per Unit Results – Building – Miscellaneous, MEP, and Flat Fees

Fee Name	Current Fee	Total Cost Per Unit	Surplus / (Deficit) per Unit
RESIDENTIAL			
Combination Permits			
Attached Garage - 1 to 3 cars	\$819	\$1,241	(\$422)
Detached Garage or Shed	\$683	\$1,066	(\$383)
Bathroom Remodel (1 or more if inspected at same time)	\$576	\$908	(\$332)
Kitchen Remodel	\$576	\$1,320	(\$744)
Standard Patio Encl / Sun Room, manufactured	\$758	\$1,169	(\$411)
Engineered Patio Encl / Sun Room, custom	\$796	\$1,223	(\$427)
Garage conversion	\$758	\$1,169	(\$411)
Green House	\$608	\$963	(\$355)
Patio Cover	\$608	\$963	(\$355)
Window, Skylight or Exterior Door	\$451	\$806	(\$355)
Miscellaneous Construction			
Wood Fences over 7' high, concrete / masonry over 4' high	\$300	\$717	(\$417)
Sound Wall	\$796	\$1,244	(\$448)
Structural Roof Conversions - Per Sq. Ft.	\$1.25	\$1.91	(\$1)
AC Condenser Replacement	\$141	\$257	(\$116)
Furnace Replacement	\$141	\$309	(\$168)
Water Heater Replacement	\$141	\$309	(\$168)
Solar Permit – 15kw or less	\$141	\$500	(\$359)
Solar Permit – above 15kw – base		\$500	
Solar Permit – above 15kw – per kw		\$15	
Solar Thermal – 10kwth or less		\$450	
Solar Thermal – 10kwth or more - base		\$450	
Solar Thermal – 10kwth or more – per kwth		\$15	
Fireplace reconstruction	\$301	\$609	(\$308)
Siding/stucco replacement	\$301	\$514	(\$213)
Seismic Strengthening	\$301	\$609	(\$308)
Mobilehome Permit Fees			
Permit Issuance Fee	\$115	\$176	(\$61)
Awning, each	\$196	\$315	(\$119)
Porch larger than 12 sf. Each	\$196	\$315	(\$119)
Deck larger than 12 sf. Each	\$196	\$417	(\$221)
Cabana, each	\$196	\$423	(\$227)
Ramada, each	\$196	\$423	(\$227)
Private garage, each	\$196	\$841	(\$645)
COMMERCIAL			
Miscellaneous Construction			
Permit Issuance Fee		\$132	(\$132)
Equipment Installation			
Each Type – Plan Check	\$346	\$435	(\$89)
Each Piece - Inspection	\$150	\$412	(\$262)
Racks, each type			

Fee Name	Current Fee	Total Cost Per Unit	Surplus / (Deficit) per Unit
First rack / Each Rack Type	\$323	\$744	(\$421)
Each 5 additional racks or fraction thereof	\$162	\$206	(\$44)
Roof Screen	\$647	\$950	(\$303)
Fences	\$647	\$950	(\$303)
Monument Sign			
Not Electrical	\$323	\$629	(\$306)
Including Electrical	\$323	\$786	(\$463)
Wall Mounted Sign			
Not Electrical	\$240	\$423	(\$183)
Including Electrical	\$240	\$581	(\$341)
Solar – 50kw or less	\$649	\$1,000	(\$351)
Solar – 50kw – 250kw – Base		\$1,000	
Solar – 50kw – 250kw – per kw above 50kw		\$7	
Solar – 250+ kw – Base		\$2,400	
Solar – 250+ kw – per kw		\$5	
Structures not listed: See hourly rates for pc and insp			
Other Plan Check, Inspection and Permit Fees			
Certificate of Occupancy (inspection, record review, printing)	\$395	\$639	(\$244)
Temporary Building Permit Issuance	\$534	\$394	(\$104)
Accessibility Exception Request	\$345	\$523	(\$178)
Christmas Tree Lot	\$150	\$294	(\$144)
Faithful Performance Bond Execution	\$114	\$306	(\$192)
Grading			
Permit Issuance Fee		\$132	(\$132)
Plan Check:			
0 - 10,000 Cubic Yards	\$173	\$435	(\$262)
Add for each additional 10,000 cy or fraction thereof		\$109	
Over 100,000 Cubic Yards	\$346	\$1,414	(\$1,068)
Over 100,000 Cubic Yards – add for each additional 10,000 cy or fraction thereof		\$54	(\$54)
Inspection:			
0 - 10,000 Cubic Yards	\$496	\$720	(\$224)
Add for each additional 10,000 cy or fraction thereof	\$65	\$103	(\$38)
Over 100,000 Cubic Yards	\$1,083	\$1,646	(\$563)
Over 100,000 Cubic Yards – add for each additional 10,000 cy or fraction thereof	\$33	\$51	(\$18)
Site Improvement¹			
Permit Issuance		\$132	
Plan Check			
0-50,000 sq. ft		\$2,176	
50,001-100,000 sq. ft		\$3,046	
100,001-500,000 sq. ft		\$8,703	
500,001+ sq. ft - per sq. ft.		\$1.31	
Inspection			
0-50,000 sq. ft	\$8,750	\$3,293	\$5,457
50,001-100,000 sq. ft	\$10,000	\$4,939	\$5,061

¹ The Site Improvement Fees were previously based on a per square footage basis and included both plan check and inspection.

Fee Name	Current Fee	Total Cost Per Unit	Surplus / (Deficit) per Unit
100,001-500,000 sq. ft	\$19,000	\$10,289	\$8,711
500,001+ sq. ft - per sq. ft.	\$0.022	\$1.71	(\$1.69)
Pools or Spas			
Swimming Pool - Private	\$376	\$935	(\$559)
Swimming Pool - Public	\$526	\$1,473	(\$947)
Spa - separate	\$226	\$935	(\$709)
Private Pool & Spa together	\$526	\$1,564	(\$1,038)
Existing Pools / Spas – Mechanical, Electrical, Plumbing - per trade	\$323	\$512	(\$189)
Re-Roofing			
Single-Family and Two-Family	\$401	\$603	(\$202)
Multi-Family, Residential, each building	\$564	\$969	(\$405)
Commercial/Industrial, each building	\$727	\$1,226	(\$499)
Miscellaneous Fees			
Change of Address, per request	\$381	\$600	(\$219)
Extension of Plan Check	\$37	\$88	(\$51)
Extension of Building Permit	\$37	\$88	(\$51)
Records Research	\$30	\$88	(\$58)
Records Research with Documentation, per Address	\$59	\$132	(\$73)
Report of Monthly Building Permit Activity (no charge to public agencies)	\$51	\$88	(\$37)
Reprinting Building Permit Cards	\$30	\$59	(\$29)
Alternative Materials or Methods of Construction Request	\$400	\$653	(\$253)
Other Plan Check and Inspection Permit Fees			
Reinspection Fee – per reinspection	\$114	\$309	(\$195)
Demolition Permit	\$150	\$506	(\$356)
Revision / Deferred Submittal Plan Check – per hour	\$173	\$218	(\$45)
Hourly Rates			
<u>Hourly Rates:</u>			
Plan Check	\$173	\$218	(\$45)
Inspection	\$150	\$206	(\$56)
<u>Afterhours (Overtime) Hourly Rates:</u>			
Plan Check	\$260	\$260	(\$0)
Inspection	\$225	\$245	(\$20)
ELECTRICAL			
Electrical Permit Issuance	\$115	\$176	(\$61)
Plan Check Fee - (min. 1 hr) - per hour	\$173	\$218	(\$45)
Receptacle Outlets, multiple on one circuit - first 20	\$73	\$103	(\$30)
Receptacle Outlets, multiple on one circuit - each additional 20	\$57	\$86	(\$29)
Receptacle, fed from dedicated circuit - each	\$33	\$51	(\$18)
Switches, Dimmers, Occupancy sensors, Sensor Power Packs, etc. - first 20	\$73	\$103	(\$30)
Switches, Dimmers, Occupancy sensors, Sensor Power Packs, etc. - each additional 20	\$57	\$86	(\$29)
Lighting Fixtures, Sockets - first 20	\$73	\$103	(\$30)
Lighting Fixtures, Sockets - each additional 20	\$57	\$86	(\$29)
Track lighting with fixtures - per linear feet	\$1.00	\$1.03	(\$0)
Pole/Platform-Mounted/Theatrical Fixtures - each	\$33	\$51	(\$18)
Circuit Breaker Panel/Subpanel, Lighting Control Panel – each	\$57	\$86	(\$29)

Fee Name	Current Fee	Total Cost Per Unit	Surplus / (Deficit) per Unit
Residential Equipment or Appliance, fed from dedicated circuit – each	\$33	\$51	(\$18)
Commercial Equipment or Appliance, fed from dedicated circuit – each	\$57	\$86	(\$29)
Power pole for cubicles – each	\$33	\$51	(\$18)
Generator, portable – each	\$73	\$103	(\$30)
Generator, 10 kW or less – each	\$120	\$103	\$17
Generator, more than 10 kW – each	\$176	\$154	\$22
Electrical vehicle charging station, residential – each	\$33	\$51	(\$18)
Electrical vehicle charging station, commercial – each	\$57	\$86	(\$29)
HEPA filter - first 20	\$73	\$103	(\$30)
HEPA filter - each additional 20	\$57	\$86	(\$29)
Time Clock – each	\$33	\$51	(\$18)
Junction box, fed from dedicated circuit – each	\$33	\$51	(\$18)
Sign, lighting systems from one branch circuit - first one	\$120	\$206	(\$86)
Sign, lighting systems from one branch circuit - each additional	\$73	\$103	(\$30)
Services - not over 200 amps (new or change) – each	\$73	\$103	(\$30)
Services - 201 amps - 1000 amps (new or change) - each	\$120	\$206	(\$86)
Services - over 1000 amperes (new or change) - each	\$175	\$257	(\$82)
Power Apparatus (UPS) or Transformer - each	\$57	\$86	(\$29)
Miscellaneous Apparatus, Conduits & Conductors - each	\$57	\$86	(\$29)
Construction Temporary Power Pole with service panel, each pole	\$57	\$103	(\$46)
Elevator - each	\$120	\$206	(\$86)
Special Circuitry, per circuit	\$57	\$86	(\$29)
MECHANICAL			
Mechanical Permit Issuance	\$115	\$176	(\$61)
Plan Check Fee (min. 1 hr) - per hour	\$173	\$218	(\$45)
Install Furnace or Heater, Residential (not including duct work)	\$88	\$137	(\$49)
Install, Relocate, Replace Flue Vent (not including with appliance)	\$57	\$103	(\$46)
Install Hood with Mechanical Exhaust - Residential	\$33	\$86	(\$53)
Install Hood with Mechanical Exhaust - Commercial	\$88	\$206	(\$118)
Duct Work per unit or System	\$57	\$86	(\$29)
Install Industrial-type Incinerator	\$88	\$154	(\$66)
Install/Replace Boiler - Each	\$57	\$103	(\$46)
Install/Replace Condenser, VAV or Fan Coil 0-5 ton <2000 CFM - Each	\$57	\$103	(\$46)
Install/Replace Condenser, VAV or Fan Coil Over 5 ton >2000 CFM - Each	\$120	\$206	(\$86)
Roof-top HVAC package unit including duct work	\$120	\$206	(\$86)
Dryer vent, residential - each	\$33	\$86	(\$53)
Dryer vent, commercial - each	\$57	\$206	(\$149)
Pump - each	\$73	\$154	(\$81)
Install/Replace Fire or Fire/Smoke Dampers - 5 (or portion of)	\$57	\$103	(\$46)
Non-portable Evaporative Cooler	\$57	\$154	(\$97)
Single Bathroom Ventilation Fan and Duct	\$33	\$86	(\$53)
Ventilation System, not HVAC	\$33	\$103	(\$70)
Other Regulated Appliance	\$57	\$154	(\$97)

Fee Name	Current Fee	Total Cost Per Unit	Surplus / (Deficit) per Unit
Process Piping:			
Hazardous process piping system - first 4 outlets	\$73	\$154	(\$81)
Hazardous process piping system (over 4 outlets) - per outlet	\$73	\$86	(\$13)
Non-hazardous process piping system - first 4 outlets	\$73	\$154	(\$81)
Non-hazardous process piping system (over 4 outlets) - per outlet	\$73	\$86	(\$13)
PLUMBING			
Plumbing Permit Issuance	\$115	\$176	(\$61)
Plan Check Fee (min. 1 hr) - per hour	\$173	\$218	(\$45)
Plumbing Fixtures - First 5 traps (or portion of)	\$73	\$154	(\$81)
Plumbing Fixtures - Each Additional trap	\$33	\$86	(\$53)
Building Drain or Sewer (New or Replacement)	\$73	\$154	(\$81)
Rain Water Drainage System	\$73	\$103	(\$30)
Water Heater and Vent	\$88	\$154	(\$66)
Gas Piping System - (each appliance)	\$73	\$103	(\$30)
Automatic Gas Shut-off Device (Seismic or Excess Flow) if not part of new gas piping system	\$73	\$103	(\$30)
Industrial Waste Pre-Treatment System	\$120	\$206	(\$86)
Grease Trap	\$73	\$154	(\$81)
Grease Interceptor	\$88	\$206	(\$118)
Water System Installation, new	\$73	\$309	(\$236)
Water System Installation, re-pipe	\$120	\$206	(\$86)
Pump - each	\$73	\$154	(\$81)
Repair/Alteration of Drain/Vent	\$73	\$154	(\$81)
Landscape Sprinkler System	\$73	\$154	(\$81)
Landscape Reclaim Water - per valve	\$175	\$257	(\$82)
Backflow Protection - first 5	\$57	\$154	(\$97)
Backflow Protection - each additional 5 (or portion of)	\$33	\$86	(\$53)
Reclaim Water System, No Irrigation	\$175	\$309	(\$134)
Private Sewage Disposal System	\$57	\$103	(\$46)

The fees for Miscellaneous, Electrical, Mechanical, and Plumbing permits are generally under-recovering their costs. There are only a handful of permits which show an over-recovery and those are related to Site Improvement Inspections. It is important to note that the permits referenced in the table above are stand-alone permits. Any electrical, mechanical, or plumbing permits that would be part of a new construction, tenant improvement, or shell project would be part of the square footage permit or plan check fee for that type of project. On average, the Building Department is recovering approximately 61% of its costs on a per-unit basis.

3 PER UNIT RESULTS – SINGLE-FAMILY / DUPLEX NEW, ADDITIONS, REMODELS, AND ADDITIONAL DWELLING UNITS

The Building Department currently charges Single-Family / Duplex New Residential based upon number of stories and Additions, Remodels, and Additional Dwelling Units

also based upon the number of stories and size of the project. The current fee schedule is complex and cumbersome and requires information such as number of stories and type of project.

During discussions with staff it was determined that there is not a significant amount of difference in plan check and inspection time between new residential or residential remodel. Therefore, it was decided to not only simplify the process, but to more accurately reflect the support associated with review and inspection, hence the residential new and remodel categories would be combined into a singular category. Additionally, the current schedule calculates fees depending upon the number of stories; however, discussions with staff revealed that the primary driver of effort is the size of the development and not the number of stories. Therefore, the number of stories was also removed from the fee schedule.

Due to the significant changes in the fee schedule, the project team was unable to compare the current fees to the proposed fee structure. The following table shows the proposed fee structure for single-family / duplex residential projects:

Table 5: Per Unit Results – Single-Family / Duplex – New, Additions, Remodels, Additional Dwelling Units

Sq. Ft.	Plan Check	Inspection
100	\$251.38	\$411.57
200	\$360.17	\$617.35
300	\$523.35	\$823.14
400	\$958.50	\$1,131.82
500	\$1,176.08	\$1,646.28
per 100	\$148.19	\$164.63
1,000	\$1,917.00	\$2,469.42
per 100	\$174.06	\$164.63
1,500	\$2,787.31	\$3,292.56
per 100	\$174.06	\$246.94
2,000	\$3,657.61	\$4,527.27
per 100	\$148.19	\$329.26
2,500	\$4,398.53	\$6,173.55
per 100	\$130.55	\$329.26
3,000	\$5,051.26	\$7,819.82
per 100	\$74.09	\$144.05
4,000	\$5,792.19	\$9,260.32
per 100	\$87.03	\$205.78
5,000	\$6,662.49	\$11,318.17
per 100	\$43.52	\$102.89

As aforementioned, due to the changes in the fee structure it is difficult to compare the current fee structure to the proposed more streamlined fee structure. For example, based on the current fee structure if there is a residential remodel of 100 sq. ft. of 1 story, the current plan check fee would be \$182 and the Inspection would be \$210; compared to the total cost of \$251 and \$412, respectively. The streamlined fee structure shown in the

table above enables the City to accurately collect fees for residential projects, and allows applicants to easily estimate their plan check and inspection fees for residential projects.

4 PER UNIT RESULTS – MULTI-FAMILY / COMMERCIAL

Similar to Single-Family / Duplex projects, the current fee schedule for Multi-Family / Commercial projects is complex. The current fee schedule charges projects based upon the occupancy, the construction material, and the square footage of the project. However, if the project is above 50,000 square feet, the fee is calculated based upon the value of the project. To further complicate the fee calculation, for any new construction project, the current fee schedule requires the applicant to pay for a shell plan check and inspection fee, as well as a Tenant Improvement (TI) plan check and inspection fee. This type of complicated fee structure is not only unique to Milpitas, but also makes it difficult for developers or applicants to estimate their plan check or permit fees.

Therefore, the project team worked with City staff to not only refine the existing fee structure, but to also alter the application of fees to be consistent with best management practices and building code guidelines. The proposed fee structure would still be based upon the square footage and occupancy type of the project; however, there would be categories for new construction, tenant improvements, and shell. This type of classification ensures that any efficiency that is gained by new construction in terms of all aspects of construction happening simultaneously is captured through the new construction category and there is no need for charging a Shell Permit and TI Permit. The following table shows the proposed fee structure for Multi-Family / Commercial Projects:

Table 6: Per Unit Results – Multi-Family / Commercial – Plan Check and Inspection

Occupancy	Sq. Ft.	Plan Check		Inspection	
		Base	Per 100 s.f.	Base	Per 100 s.f.
A - Assembly - New Construction	1,500	\$4,054.26	\$59.12	\$10,353.55	\$133.41
	7,500	\$7,601.74	\$84.46	\$14,790.79	\$123.15
	15,000	\$13,936.53	\$76.02	\$23,665.26	\$82.10
	30,000	\$25,339.14	\$14.08	\$42,597.47	\$37.63
	75,000	\$31,673.93	\$18.58	\$66,558.54	\$39.00
	150,000	\$45,610.45	\$30.41	\$82,828.40	\$55.42
A - Assembly - Tenant Improvement	500	\$1,520.77	\$66.53	\$2,880.99	\$61.74
	2,500	\$2,851.45	\$95.05	\$4,115.70	\$98.78
	5,000	\$5,227.66	\$85.54	\$6,585.12	\$105.36
	10,000	\$9,504.84	\$21.31	\$11,853.21	\$44.45
	25,000	\$12,701.09	\$35.71	\$18,520.64	\$18.11
	50,000	\$21,629.39	\$43.26	\$23,047.90	\$46.10
B - Business - New Construction	1,000	\$3,834.01	\$82.77	\$7,202.47	\$77.17
	5,000	\$7,144.66	\$114.08	\$10,289.24	\$123.47
	10,000	\$12,848.65	\$101.44	\$16,462.79	\$131.70
	20,000	\$22,992.34	\$18.72	\$29,633.02	\$55.56
	50,000	\$28,608.13	\$29.43	\$46,301.59	\$27.16
	100,000	\$43,320.91	\$43.32	\$59,883.39	\$59.88

Occupancy	Sq. Ft.	Plan Check		Inspection	
		Base	Per 100 s.f.	Base	Per 100 s.f.
B - Business - Tenant Improvement	500	\$1,469.46	\$64.29	\$3,151.08	\$67.52
	2,500	\$2,755.23	\$91.84	\$4,501.54	\$108.04
	5,000	\$5,051.26	\$82.66	\$7,202.47	\$115.24
	10,000	\$9,184.11	\$15.31	\$12,964.45	\$48.62
	25,000	\$11,480.14	\$20.21	\$20,256.95	\$19.81
	50,000	\$16,531.40	\$33.06	\$25,208.64	\$50.42
E - Education - New Construction	500	\$1,724.34	\$75.44	\$3,961.36	\$84.89
	2,500	\$3,233.13	\$107.77	\$5,659.08	\$135.82
	5,000	\$5,927.41	\$96.99	\$9,054.53	\$144.87
	10,000	\$10,777.11	\$17.96	\$16,298.16	\$61.12
	25,000	\$13,471.39	\$23.71	\$25,465.88	\$24.90
	50,000	\$19,398.80	\$38.80	\$31,690.87	\$63.38
E - Education- Tenant Improvement	100	\$1,823.57	\$398.91	\$2,520.86	\$270.09
	500	\$3,419.19	\$569.86	\$3,601.23	\$432.15
	1,000	\$6,268.51	\$512.88	\$5,761.98	\$460.96
	2,000	\$11,397.29	\$94.98	\$10,371.56	\$194.47
	5,000	\$14,246.62	\$125.37	\$16,205.56	\$79.23
	10,000	\$20,515.13	\$205.15	\$20,166.92	\$201.67
F - Factory - New Construction	5,000	\$5,574.61	\$19.17	\$8,231.39	\$41.16
	25,000	\$9,408.62	\$43.19	\$16,462.79	\$98.78
	50,000	\$20,205.04	\$13.92	\$41,156.97	\$28.81
	100,000	\$27,167.45	\$8.04	\$55,561.91	\$7.55
	250,000	\$39,222.30	\$4.46	\$66,880.08	\$14.40
	500,000	\$50,365.67	\$10.07	\$102,892.43	\$20.58
F - Factory - Tenant Improvement	2,000	\$2,147.42	\$18.19	\$2,244.93	\$18.71
	10,000	\$3,602.55	\$43.65	\$3,741.54	\$44.90
	20,000	\$7,967.94	\$14.46	\$8,231.39	\$14.97
	40,000	\$10,860.56	\$8.09	\$11,224.63	\$8.57
	100,000	\$15,717.04	\$4.64	\$16,369.25	\$4.68
	200,000	\$20,352.53	\$10.18	\$21,046.18	\$10.52
H - Hazardous Materials - New Construction	1,000	\$4,382.71	\$95.87	\$8,102.78	\$86.82
	5,000	\$8,217.59	\$136.96	\$11,575.40	\$138.90
	10,000	\$15,065.58	\$123.26	\$18,520.64	\$148.17
	20,000	\$27,391.96	\$22.83	\$33,337.15	\$62.51
	50,000	\$34,239.95	\$30.13	\$52,089.29	\$25.47
	100,000	\$49,305.53	\$49.31	\$64,822.23	\$64.82
H – Hazardous Materials - Tenant Improvement	1,000	\$2,191.36	\$47.94	\$4,321.48	\$46.30
	5,000	\$4,108.79	\$68.48	\$6,173.55	\$74.08
	10,000	\$7,532.79	\$61.63	\$9,877.67	\$79.02
	20,000	\$13,695.98	\$11.41	\$17,779.81	\$33.34
	50,000	\$17,119.98	\$15.07	\$27,780.96	\$13.58
	100,000	\$24,652.77	\$24.65	\$34,571.86	\$34.57
I – Licensed Clinics – New Construction	2,000	\$2,634.42	\$28.81	\$5,401.85	\$28.94
	10,000	\$4,939.54	\$41.16	\$7,716.93	\$46.30
	20,000	\$9,055.82	\$37.05	\$12,347.09	\$49.39
	40,000	\$16,465.12	\$6.86	\$22,224.76	\$20.84
	100,000	\$20,581.40	\$9.06	\$34,726.19	\$8.49
	200,000	\$29,637.22	\$14.82	\$43,214.82	\$21.61

Occupancy	Sq. Ft.	Plan Check		Inspection	
		Base	Per 100 s.f.	Base	Per 100 s.f.
I – Licensed Clinics – Tenant Improvement	1,000	\$1,064.03	\$23.28	\$2,250.77	\$24.12
	5,000	\$1,995.06	\$33.25	\$3,215.39	\$38.58
	10,000	\$3,657.61	\$29.93	\$5,144.62	\$41.16
	20,000	\$6,650.19	\$5.54	\$9,260.32	\$17.36
	50,000	\$8,312.74	\$7.32	\$14,469.25	\$7.07
	100,000	\$11,970.35	\$11.97	\$18,006.17	\$18.01
M - Mercantile - New Construction	500	\$2,179.38	\$95.35	\$4,501.54	\$96.46
	2,500	\$4,086.34	\$136.21	\$6,430.78	\$154.34
	5,000	\$7,491.61	\$122.59	\$10,289.24	\$164.63
	10,000	\$13,621.12	\$22.70	\$18,520.64	\$69.45
	25,000	\$17,026.40	\$29.97	\$28,938.50	\$28.30
	50,000	\$24,518.01	\$49.04	\$36,012.35	\$72.02
M - Mercantile - Tenant Improvement	250	\$1,000.74	\$87.56	\$1,800.62	\$77.17
	1,250	\$1,876.38	\$125.09	\$2,572.31	\$123.47
	2,500	\$3,440.03	\$112.58	\$4,115.70	\$131.70
	5,000	\$6,254.60	\$20.85	\$7,408.25	\$55.56
	12,500	\$7,818.25	\$27.52	\$11,575.40	\$22.64
	25,000	\$11,258.29	\$45.03	\$14,404.94	\$57.62
R-1 - Residential, Hotels - New Construction	2,000	\$9,750.78	\$106.65	\$24,758.49	\$132.63
	10,000	\$18,282.72	\$152.36	\$35,369.27	\$212.22
	20,000	\$33,518.31	\$137.12	\$56,590.84	\$226.36
	40,000	\$60,942.39	\$25.39	\$101,863.50	\$95.50
	100,000	\$76,177.98	\$33.52	\$159,161.72	\$38.91
	200,000	\$109,696.30	\$54.85	\$198,067.92	\$99.03
R-1 – Residential, Hotels - Tenant Improvement	500	\$2,317.95	\$101.41	\$5,761.98	\$123.47
	2,500	\$4,346.15	\$144.87	\$8,231.39	\$197.55
	5,000	\$7,967.94	\$130.38	\$13,170.23	\$210.72
	10,000	\$14,487.16	\$24.15	\$23,706.42	\$88.90
	25,000	\$18,108.96	\$31.87	\$37,041.27	\$36.22
	50,000	\$26,076.90	\$52.15	\$46,095.81	\$92.19
R-2 - Residential Multi- Family - New Construction	2,000	\$20,395.79	\$10.67	\$56,719.45	-\$146.30
	10,000	\$21,249.65	\$177.08	\$45,015.44	\$270.09
	20,000	\$38,957.70	\$159.37	\$72,024.70	\$288.10
	40,000	\$70,832.18	\$29.51	\$129,644.46	\$121.54
	100,000	\$88,540.22	\$38.96	\$202,569.47	\$49.52
	200,000	\$127,497.92	\$63.75	\$252,086.45	\$126.04
R-2 - Residential Multi- Family - Tenant Improvement	500	\$2,950.89	\$129.10	\$6,302.16	\$135.05
	2,500	\$5,532.92	\$184.43	\$9,003.09	\$216.07
	5,000	\$10,143.69	\$165.99	\$14,404.94	\$230.48
	10,000	\$18,443.08	\$30.74	\$25,928.89	\$97.23
	25,000	\$23,053.85	\$40.57	\$40,513.89	\$39.61
	50,000	\$33,197.54	\$66.40	\$50,417.29	\$100.83
R-4 - Care / Assisted Living - New Construction	2,000	\$5,953.10	\$65.11	\$13,504.63	\$72.35
	10,000	\$11,162.07	\$93.02	\$19,292.33	\$115.75
	20,000	\$20,463.79	\$83.72	\$30,867.73	\$123.47
	40,000	\$37,206.89	\$15.50	\$55,561.91	\$52.09
	100,000	\$46,508.61	\$20.46	\$86,815.49	\$21.22
	200,000	\$66,972.40	\$33.49	\$108,037.05	\$54.02

Occupancy	Sq. Ft.	Plan Check		Inspection	
		Base	Per 100 s.f.	Base	Per 100 s.f.
R-4 - Care / Assisted Living - Tenant Improvement	1,000	\$2,899.58	\$63.43	\$7,202.47	\$77.17
	5,000	\$5,436.71	\$90.61	\$10,289.24	\$123.47
	10,000	\$9,967.29	\$81.55	\$16,462.79	\$131.70
	20,000	\$18,122.35	\$15.10	\$29,633.02	\$55.56
	50,000	\$22,652.94	\$19.93	\$46,301.59	\$22.64
	100,000	\$32,620.23	\$32.62	\$57,619.76	\$57.62
S-1 - Storage, Moderate Hazard - New Construction	1,000	\$3,546.20	\$77.57	\$6,752.32	\$72.35
	5,000	\$6,649.13	\$110.82	\$9,646.17	\$115.75
	10,000	\$12,190.07	\$99.74	\$15,433.86	\$123.47
	20,000	\$22,163.77	\$18.47	\$27,780.96	\$52.09
	50,000	\$27,704.71	\$24.38	\$43,407.74	\$21.22
	100,000	\$39,894.78	\$39.89	\$54,018.52	\$54.02
S-2 – Storage, Low Hazard - New Construction	1,000	\$1,950.16	\$42.66	\$3,961.36	\$42.44
	5,000	\$3,656.54	\$60.94	\$5,659.08	\$67.91
	10,000	\$6,703.66	\$54.85	\$9,054.53	\$72.44
	20,000	\$12,188.48	\$10.16	\$16,298.16	\$30.56
	50,000	\$15,235.60	\$13.41	\$25,465.88	\$12.45
	100,000	\$21,939.26	\$21.94	\$31,690.87	\$31.69
S - Storage - Tenant Improvement	500	\$1,443.80	\$63.17	\$2,475.85	\$53.05
	2,500	\$2,707.12	\$90.24	\$3,536.93	\$84.89
	5,000	\$4,963.06	\$81.21	\$5,659.08	\$90.55
	10,000	\$9,023.74	\$15.04	\$10,186.35	\$38.20
	25,000	\$11,279.68	\$19.85	\$15,916.17	\$15.56
	50,000	\$16,242.74	\$32.49	\$19,806.79	\$39.61
U - Utility - Misc. - New Construction	150	\$583.33	\$85.07	\$1,080.37	\$77.17
	750	\$1,093.75	\$121.53	\$1,543.39	\$123.47
	1,500	\$2,005.20	\$109.37	\$2,469.42	\$131.70
	3,000	\$3,645.83	\$20.25	\$4,444.95	\$55.56
	7,500	\$4,557.28	\$26.74	\$6,945.24	\$22.64
	15,000	\$6,562.49	\$43.75	\$8,642.96	\$57.62
U - Utility - Misc. - Tenant Improvement	100	\$810.85	\$177.37	\$1,530.52	\$163.98
	500	\$1,520.35	\$253.39	\$2,186.46	\$262.38
	1,000	\$2,787.31	\$228.05	\$3,498.34	\$279.87
	2,000	\$5,067.83	\$42.23	\$6,297.02	\$118.07
	5,000	\$6,334.79	\$55.75	\$9,839.09	\$48.10
	10,000	\$9,122.09	\$91.22	\$12,244.20	\$122.44
Shell Building	5,000	\$5,268.84	\$23.05	\$9,903.40	\$21.22
	25,000	\$9,879.07	\$32.93	\$14,147.71	\$33.95
	50,000	\$18,111.63	\$29.64	\$22,636.33	\$36.22
	100,000	\$32,930.24	\$5.49	\$40,745.40	\$15.28
	250,000	\$41,162.81	\$7.24	\$63,664.69	\$6.22
	500,000	\$59,274.44	\$11.85	\$79,227.17	\$15.85

Due to the significant difference between the current fees and the proposed / recommended fees it is difficult to calculate the current percentage of cost recovery for building plan check and inspection support. The proposed fee schedule also includes all Mechanical, Electrical, and Plumbing time associated with plan check and inspection, eliminating the need for additional calculation and charges.

5 CROSS-DEPARTMENTAL SUPPORT

As part of the plan check process, the Building Department is not the only department that evaluates and reviews plans. As such, the Department routes plans to Engineering (Land Development), Planning, and Fire. The Fire Department currently charges fees on its fee schedule related to Building Department support. As part of this study, the project team worked with staff in Planning and Land Development to identify their support spent on Building permits. To be consistent with Fire Prevention, the support provided by Planning and Land Development have been added to their respective fee schedules and will be discussed in their section of the report.

6 ANNUAL REVENUE IMPACTS

Due to the differences in structure for the department, the project team was only able to compare the revenue collected for each major category to the total annual cost associated with that category. The following table shows this breakout by major project type category:

Table 7: Annual Revenue Impacts – Building

Category	Revenue at Current	Revenue at Total Cost	Annual Surplus / (Deficit)	Cost Recovery %
Flat Fees	\$1,799,526	\$3,030,923	(\$1,231,398)	59%
Res	\$247,759	\$299,349	(\$51,590)	83%
Non-Res	\$2,987,376	\$3,018,564	(\$31,188)	99%
TOTAL	\$5,034,660	\$6,348,836	(\$1,314,176)	79%

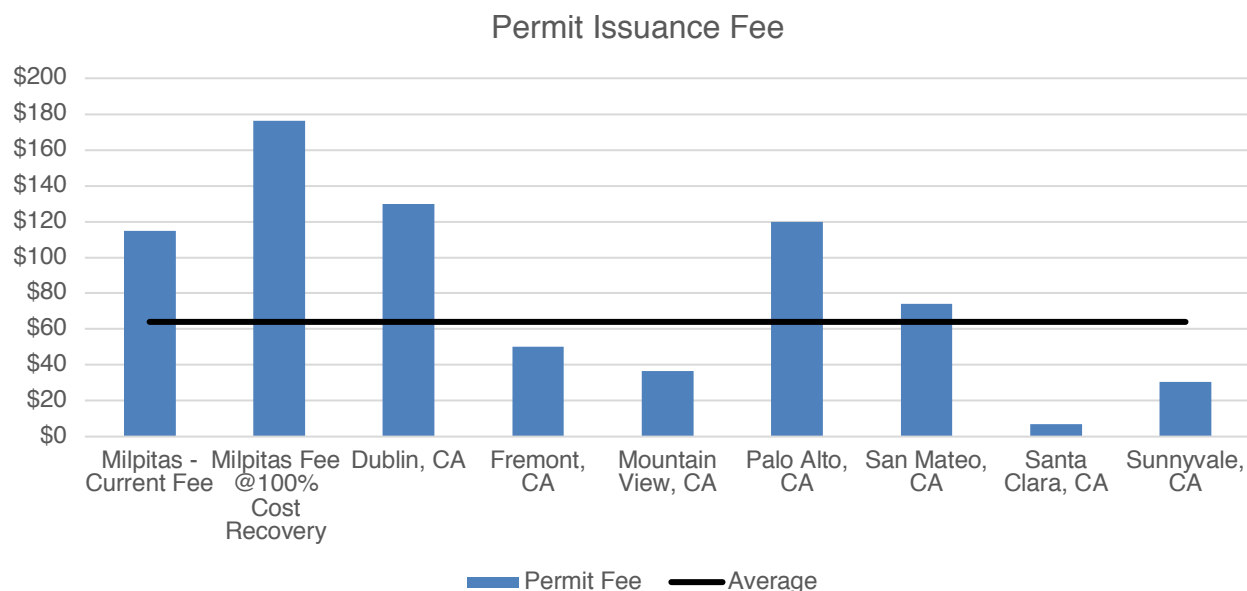
As the table above indicates, the Building Department is currently under-recovering for its fee-related costs by approximately \$1.3 million annually. The primary source of this deficit are the standalone fees and permits.

7 COMPARATIVE SURVEY

As part of this study, the City requested a comparison of how their current fees and total cost related to other similar sized and regionally located jurisdictions. Due to the varied nature in how building fees are calculated (flat fees, valuation, occupancy and square footage, or other tiered ranges), the project team looked to develop specific project scenarios to provide a like for like comparison. For New Construction and Tenant Improvement scenarios, only Permit and Plan Check fees were compared, as the tabulation of how Mechanical, Electrical, and Plumbing fixtures are accounted for can vary widely from jurisdiction to jurisdiction. The following subsections compare the flat fees and building type / project-based scenarios for Building services to other surrounding jurisdictions.

1 Permit Issuance Fee

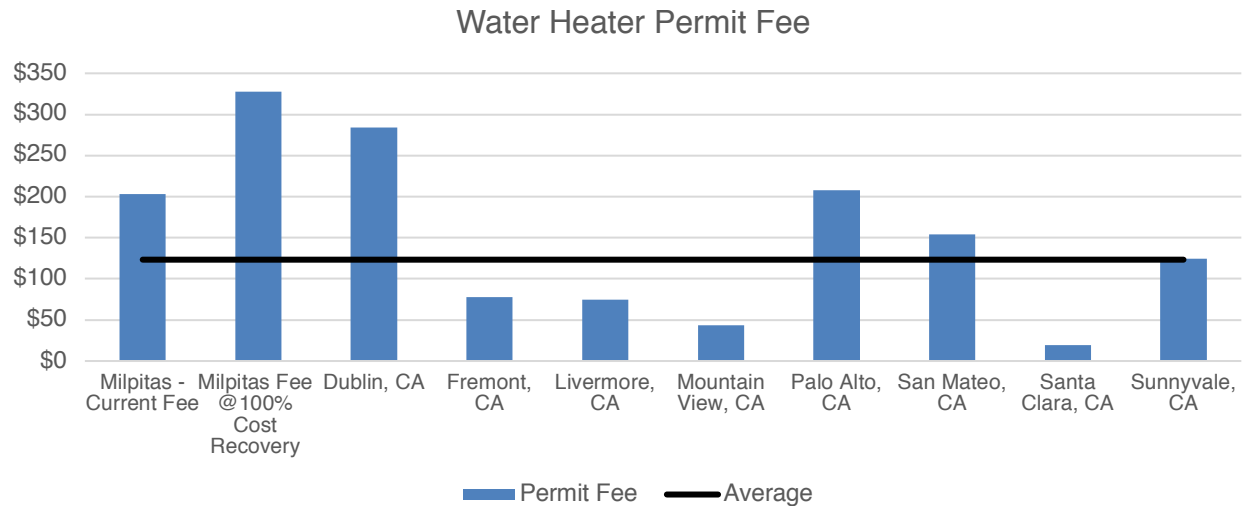
One of the most common types of fees is a permit issuance fee. The City of Milpitas currently charges a permit issuance fee of \$115 and the project team calculated the fully burdened cost to be \$176. The following graph shows how the department's current fee and total cost compare to other local jurisdictions for Permit Issuance.



As the graph indicates, the City's current fee and full cost fee are higher than the average of \$64 charged by surrounding jurisdictions. The City's full cost fee is slightly higher than the next highest number of \$130 permit issuance fee for the City of Dublin.

2 Water Heater

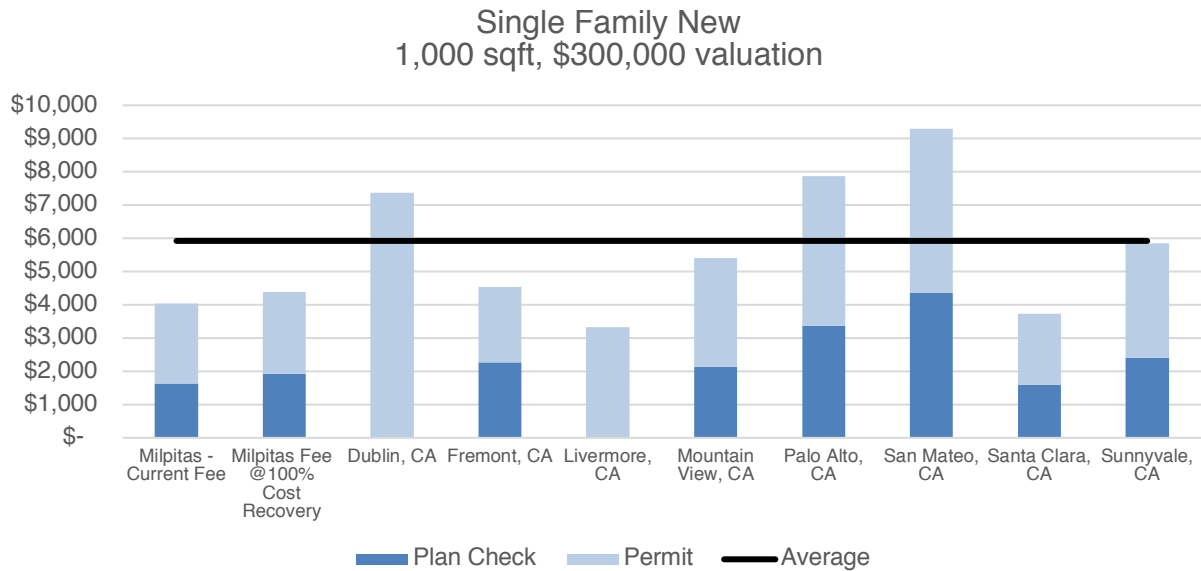
Another common flat fee permit is Water Heater. In order to pull a water heater permit, most jurisdictions require a water heater permit fee and a permit issuance fee. The City of Milpitas currently charges a flat fee of \$88 for a Water Heater Permit and \$115 for Permit Issuance. The full cost was calculated at \$154 for the Water Heater and \$176 for the Permit Issuance Fee. The following graph shows how the department's current fee and total cost compare to other local jurisdictions for Water Heater Permits (including permit issuance fee).



As the graph indicates, the City's current and full cost fee similar to permit issuance is higher than the average fee of \$123 charged by surrounding jurisdictions. This average is being skewed with the outliers of Mountain View and Santa Clara. Even if Mountain View and Santa Clara are eliminated the average fee increases from \$123 to \$154; which brings the average fee only slightly closer to Milpitas. The only other jurisdiction that is charging similar to Milpitas for Water heater permits is the City of Dublin at \$284.

3 Single Family – New – 1,000 sq. ft. (\$300,000 Valuation)

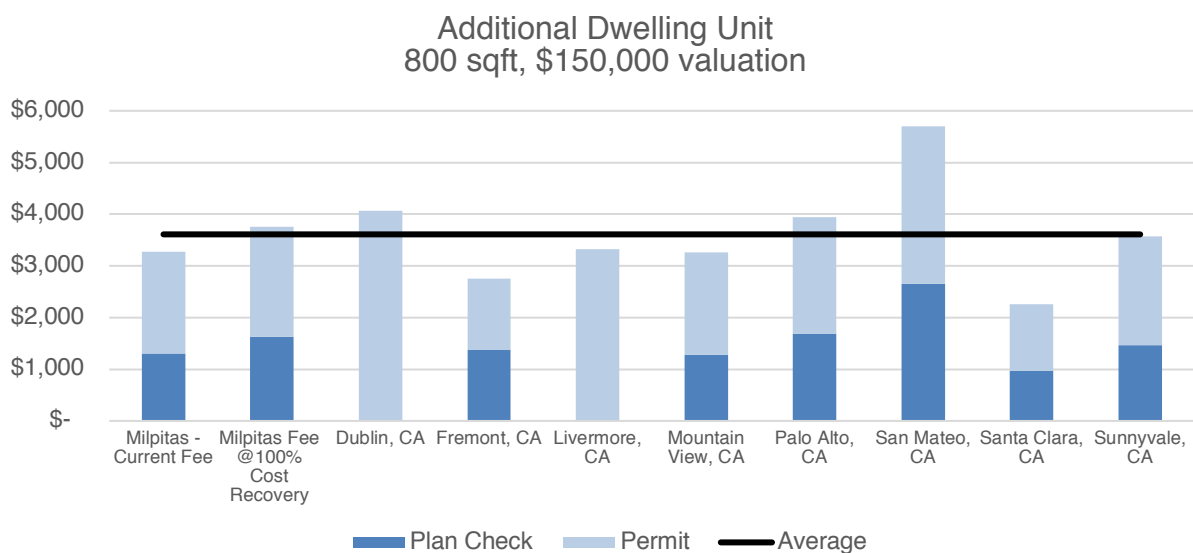
The City of Milpitas currently assesses fees for New Single-Family homes based upon the size of the home and the number of stories; during discussions with staff, it was decided that the number of stories would be eliminated as a criterion and built into the cost calculation. The City currently charges a fee of \$4,045 for plan check and inspection of a 1,000 sq. ft. Single Family New Home, and the project team calculated the cost at \$4,386 for plan check and inspection. The following graph shows how the department's current fee and total cost compare to other local jurisdictions.



As the graph indicates, the City's current and full cost fee are below the average fee of \$5,923 charged by surrounding jurisdictions. The reason for such differences in fees is that other than the City of Livermore, all other jurisdictions charge the fee based upon the valuation of the project.

4 Additional Dwelling Unit – 800 sq. ft. (\$150,000 valuation)

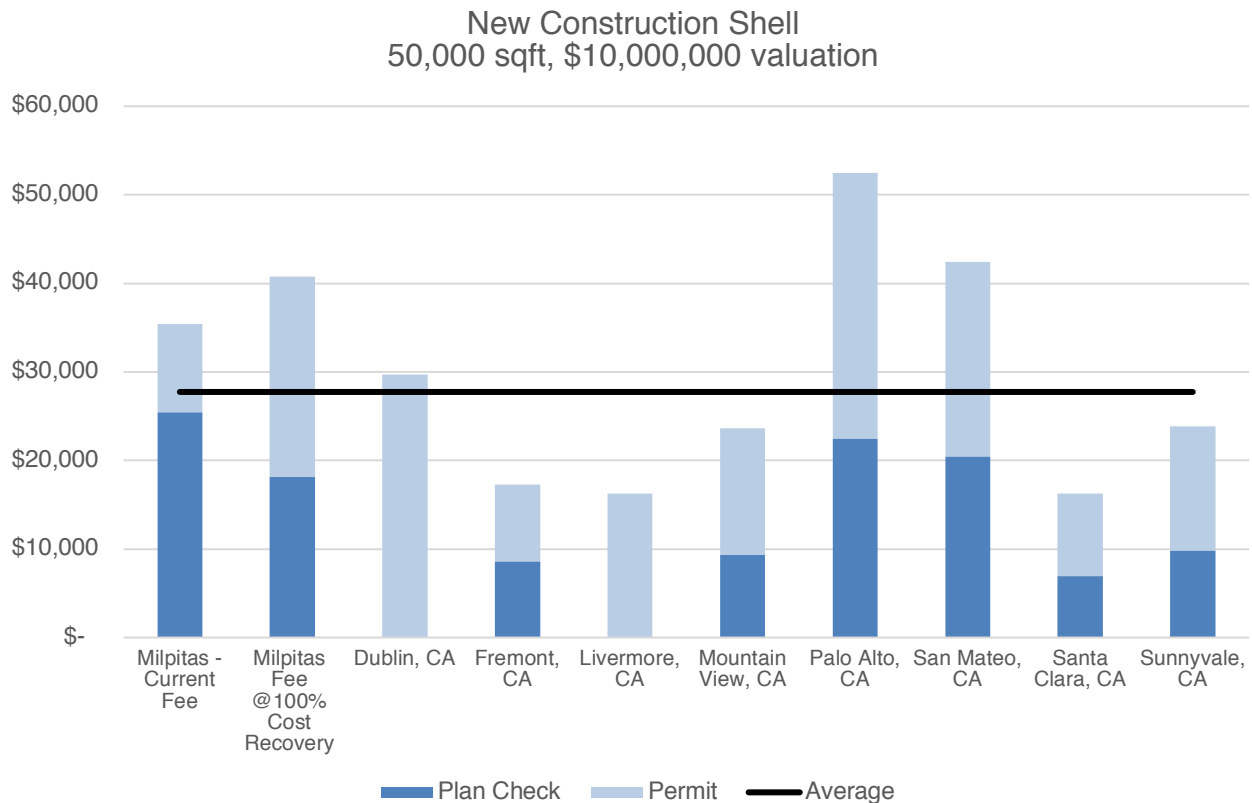
The City of Milpitas currently charges \$3,277 for plan check and inspection of an 800 sq. ft. Additional Dwelling Unit and the project team calculated the full cost to be slightly lower at \$3,761. The following graph shows how the department's current fee and total cost compare to other local jurisdictions.



As the graph above indicates, the City's current is slightly below the average fee of \$3,610 charged in surrounding jurisdictions. The City's full cost fee of \$3,761 is only slightly higher than the average fee. The City of San Mateo is the only outlier at \$5,696, if this is removed, the average fee declines to \$2,900; which is closer to the City of Milpitas's current fee cost.

5 New Construction – Shell – 50,000 sq. ft. (\$10,000,000 Valuation)

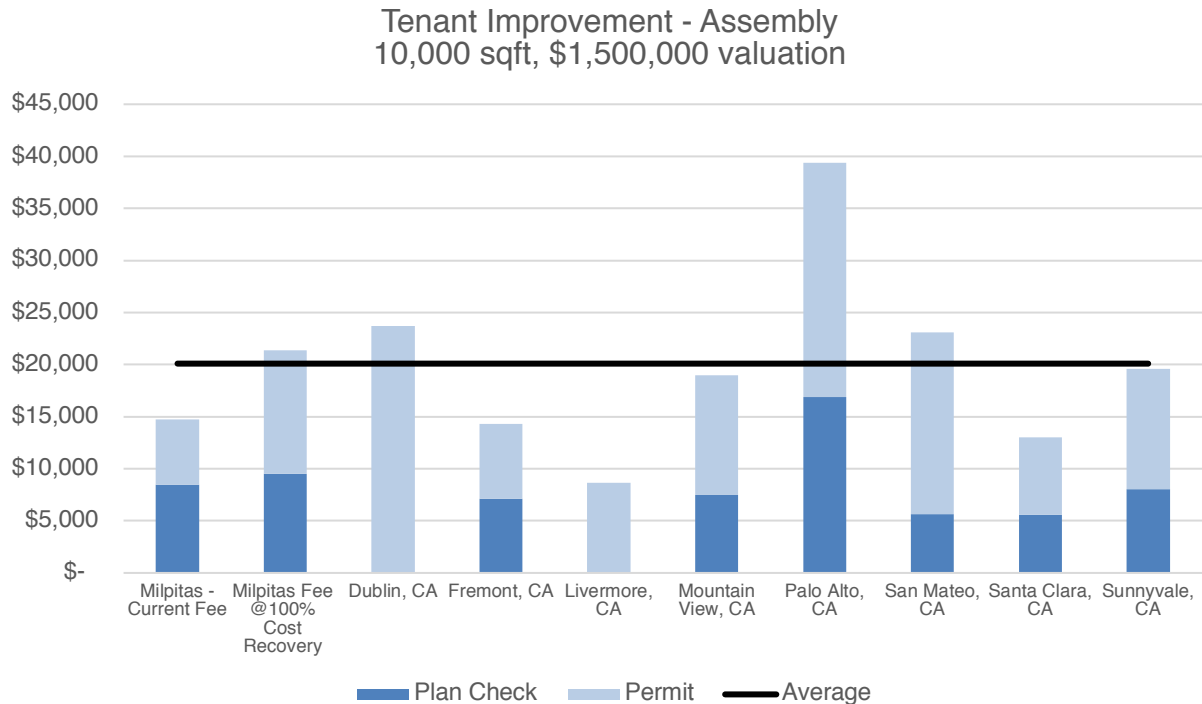
The City of Milpitas currently charges \$35,422 for Plan Check and Inspection for a New Construction Shell Building that is 50,000 sq. ft.; through this study, the project team calculated the full cost of the permit and plan check process to be \$40,748. The following graph shows how the department's current fee and total cost compare to other local jurisdictions.



As the graph above indicates, the City of Milpitas' current and full cost fee is above the average fee of \$27,732 being charged by surrounding jurisdictions for a similar project. The City's current fee is higher than six of the eight jurisdictions surveyed, with only the cities of Palo Alto and San Mateo having a higher total fee.

6 Tenant Improvement – Assembly – 10,000 sq. ft. (\$1.5 million valuation)

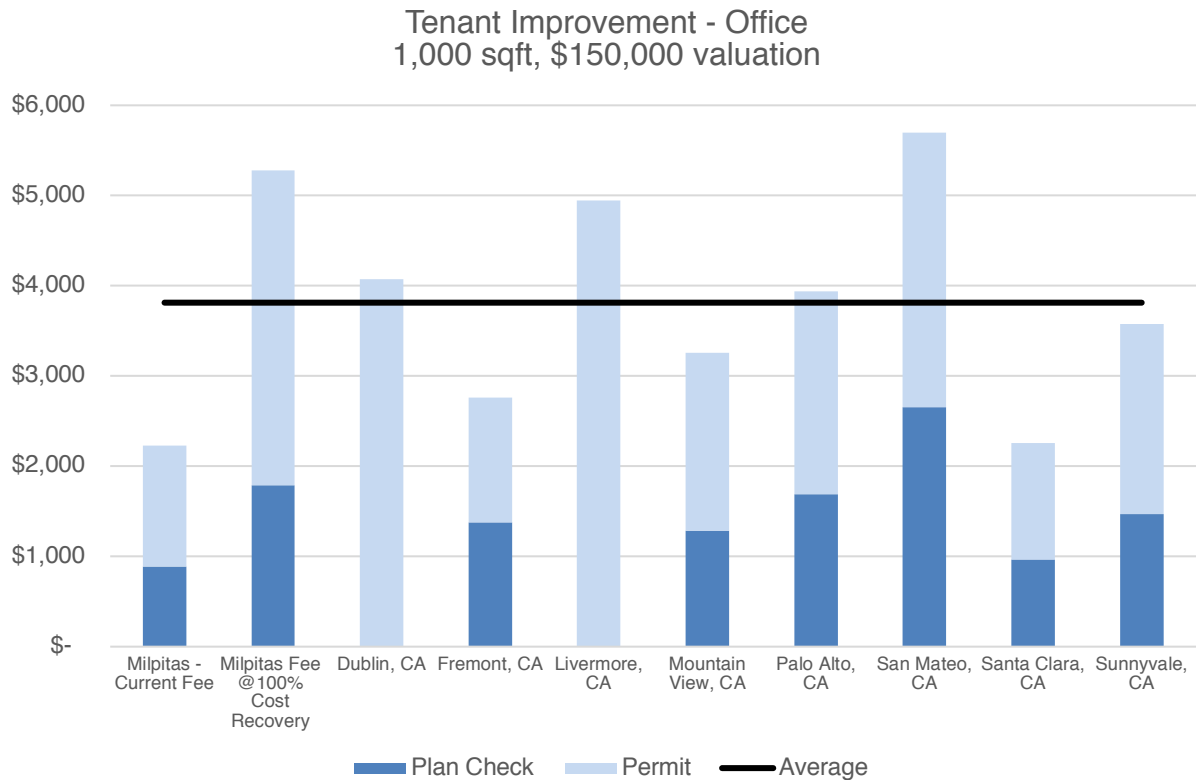
The City of Milpitas currently charges \$14,722 to plan review and permit a 10,000 sq. ft. Tenant Improvement to an Assembly. The project team calculated the full cost of plan checking and permitting to be \$21,358. The following graph shows how the department's current fee and total cost compare to other local jurisdictions.



As the graph above indicates, the City's current fee of \$14,722 is below the average fee of \$20,099 charged by surrounding jurisdictions; however, the full cost fee at \$21,358 is only slightly above the average. The City of Palo Alto is skewing the average for this calculation, and if that is removed from the calculation, the average fee becomes \$15,000; which is much closer to the City's current fee.

7 Tenant Improvement – Business – 1,000 sq. ft. (\$150,000 Valuation)

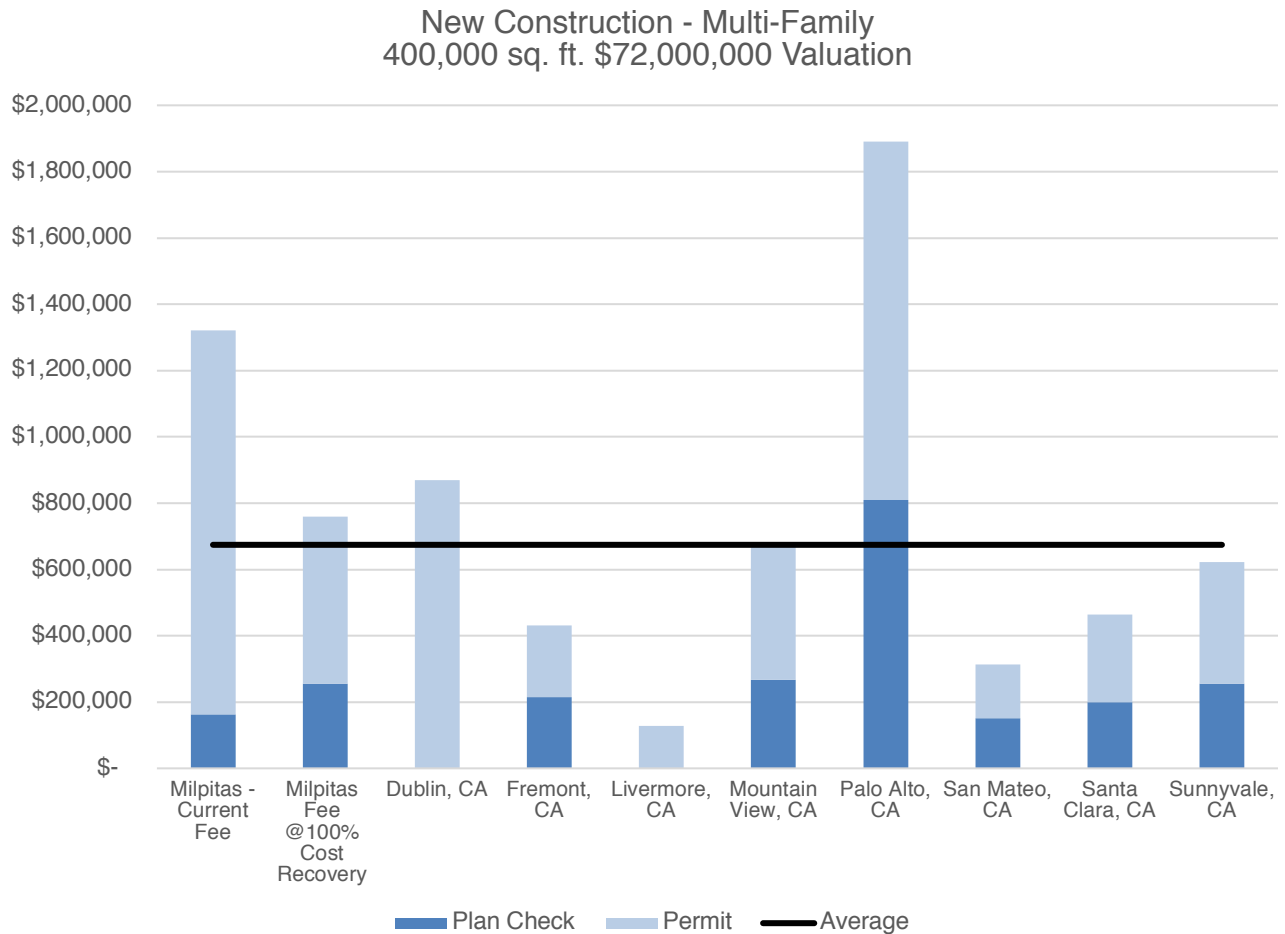
The City of Milpitas currently charges \$2,229 to plan review and permit a 1,000 sq. ft. Tenant Improvement to a Business. The project team calculated the full cost of plan checking and permitting to be \$5,280. The following graph shows how the department's current fee and total cost compare to other local jurisdictions.



As the graph indicates, the City's current fee of \$2,229 is below the average fee of \$3,813 charged by surrounding jurisdictions; however, its full cost fee of \$5,280 is above the average charged by surrounding jurisdictions.

8 New Construction – Multi-Family – 400,000 sq. ft. (\$72 million)

The City of Milpitas currently charges based on the valuation of a project if the project is larger than 50,000 sq. ft.; to ensure consistency of project charging, during this study it was determined that all plan check and permit fees should be calculated based upon square footage. The City currently charged a fee of \$1,320,135 to plan review and permit a 400,000 sq. ft. New Construction – Multifamily Project valued at \$72 million. The project team calculated the full cost of plan checking and permitting this same project at \$759,164. The following graph shows how the department's current fee and total cost compare to other local jurisdictions.



As the graph indicates the City's current fee is significantly higher than the surrounding jurisdictions with the only exception being the City of Palo Alto. The City's full cost fee at \$759,000 is only slightly above the average fee of \$674,000 charged by surrounding jurisdictions. The average fee is being skewed by Palo Alto, so if we remove them from the average calculation, the average fee drops to \$438,000; which is lower than both the current fee and the full cost fee.

6. Engineering (Land Development and Traffic)

The Engineering Department is responsible for reviewing and inspecting all private development that occurs in the public right-of-way. Additionally, the Department is responsible for conducting any traffic analysis or traffic impact reviews as part of the encroachment or off-site improvements process. The following subsections provide an overview of modifications made to the Engineering fee schedule, the detailed per unit analysis results, the potential annual revenue impacts, and a comparison of certain fees to other jurisdictions.

1 FEE SCHEDULE MODIFICATIONS

In discussions with staff in the Engineering Department, there were minimal modifications being proposed to their current fee schedule. The Department currently only charges one flat fee for Minor Encroachment permits. Through this process, the department identified two other processes that may be part of larger development projects, could also occur as standalone projects and as such should have fees updated for these processes – Lot Line Adjustment / Lot Merger and Street Alley Vacation / Easement in the Right-Of-Way.

The project team worked with staff in the Land Development section to identify areas where assistance to the Planning and Building Department is provided to identify scenarios where Land Development provides project support. This support and review are separate from the plan review, project administration, and inspections associated with off-site improvements for Public Works / Land Development specific permits. These new categories for building support have been added to the Department's fee schedule. This addition allows Land Development to be consistent with Fire Prevention; who also lists support for Building as part of their fee schedule.

The majority of Engineering's fees are deposit-based or private job (PJ) accounts. For these items, the Department takes an initial deposit based upon the cost of the project and staff bill any time and materials associated with the plan review and inspection of these items to the private job. The use of PJ accounts helps ensure that the City is able to achieve cost recovery, as the work being reviewed and inspected by Engineering can vary by type of improvement, location of improvement, and length of time to complete an improvement. Additionally, utilizing deposits, enables the City to account for not only staff time spent reviewing and inspecting improvements, but any materials that may be utilized by the City can also be billed. These fees have been discussed in the deposit-based fees section of this chapter.

2 DETAILED PER UNIT ANALYSIS – FLAT FEES

As aforementioned, there are only three flat fees for Land Development – minor encroachment, lot line adjustment, and street alley / vacation; however, there is also the addition of support to Building and Planning Departments. The support to the building department has been reflected here, to be consistent with other departments that charge separate fees for building reviews. The support provided by Land Development for Planning fees are shown in the Planning fee chapter as cross-departmental support, per current practice of Planning collecting the fee on behalf of all other departments. The following table details the fee name, current fee, total cost for Land Development staff, and surplus or deficit associated with each Land Development fee.

Table 8: Per Unit Results – Land Development

Fee Name	Current Fee	Total Cost Per Unit	Surplus / (Deficit) per Unit
Minor Encroachment Permit	\$450	\$974	(\$524)
Lot Line / Merger Adjustment	\$615	\$1,774	(\$1,159)
Street / Alley Easement Vacation	\$545	\$2,294	(\$1,749)
Building Support:			
Single Family / Duplex – New or Addition		\$587	
Commercial / Industrial – New		\$1,958	
Commercial / Industrial – TI		\$196	
Commercial / Industrial – Site Improvement and / or Grading		\$1,762	

As the table indicates, Land Development is currently under-recovering for all of its three services. It has an average per unit cost recovery of 35%.

It is important to note that the Lot Line / Merger Adjustment cost listed above only accounts for time spent by Land Development staff. Planning staff also spend a significant amount of time on this service as well. The following table shows for each of the fees listed above any cross-departmental support:

Table 9: Per Unit Results – Land Development with Planning Support

Fee Name	Current Fee	Land Development Cost Per Unit	Planning Cost Per Unit	Total City Cost Per Unit	Surplus / (Deficit) per Unit
Minor Encroachment Permit	\$450	\$974	\$0	\$974	(\$974)
Lot Line / Merger Adjustment	\$615	\$1,774	\$1,383	\$3,157	(\$2,542)
Street / Alley Easement Vacation	\$545	\$2,294	\$0	\$2,294	(\$1,749)

With the inclusion of Planning department staff support for the Lot Line / Merger Adjustment Category, the under-recovery of \$1,159 increases by approximately \$600 to become an under-recovery of approximately \$2,542. With this update to the detailed per

unit results, the average per unit recovery for Engineering services declines from 28% to 30%.

3 DEPOSIT-BASED FEES

The Engineering Department currently charges two different deposit amounts based upon the Engineer's Construction Estimate. The following table shows the department's current structure for PJ estimates:

Table 10: Current PJ Account Structure

Public Improvements	Deposit
Up to \$40,000 Construction Cost Estimate	\$4,000
Greater than \$40,000 Construction Cost Estimate	10% of Construction Cost Estimate

For any project that is estimated to cost \$40,000 or less such as typical utility encroachments, the department currently collects \$4,000 as an initial deposit. During discussions with staff it was determined that while this deposit may be sufficient for plan review and / or inspection separately, it is insufficient for both types of activities. The concept behind a deposit-based fee is to obtain cost recovery on services and to also collect a sufficient deposit amount initially so as to minimize any additional billings or invoicing.

Therefore, in review of the PJ account information, as well as discussion with staff, the project team is proposing the following structure for PJ accounts for Land Development:

Table 11: Proposed Fee Structure

Public Improvements	Deposit
Plan Review:	
Up to \$50,000	\$5,000
\$50,001 - \$200,000	\$10,000
\$200,001 - \$500,000	\$15,000
Over \$500,001	\$20,000
Inspection:	
Up to \$50,000 Construction Cost Estimate	\$5,000
Greater than \$50,000 Construction Cost Estimate	10% of Construction Cost Estimate ²

The proposed Public Improvements Deposit structure is a bit more nuanced as it breaks apart Plan Review and Inspection. Having two separate types of deposits is consistent with other jurisdictions, as well as ensures that the City is able to start recovering for its costs for plan review prior to inspection.

² The Construction Cost Estimate refers to offsite improvements.

4 ANNUAL RESULTS – FLAT FEES

Due to the nature and concept of deposit-based fees, it is difficult to calculate potential revenue impacts associated with those services. However, the project team did collect annual workload information regarding the flat fees. Engineering is under-recovering for its fee-related services by approximately \$20,000. The following table shows the annual workload volume, projected revenue at current fee, total annual cost, and the associated surplus or deficit.

Table 12: Annual Results – Flat Fees – Engineering

Fee Name	Annual Volume	Revenue at Current Fee	Annual Cost	Annual Surplus / (Deficit)
Minor Encroachment Permit	16	\$7,200	\$15,589	(\$8,389)
TOTAL		\$7,200	\$15,589	(\$8,389)

Overall, Engineering is recovering approximately 46% of its costs related to flat fees. The 46% subsidy is directly related to Minor Encroachment Permits.

5 ANNUAL RESULTS – OVERALL REVENUE

The primary source of revenue for Land Development is deposit-based fees (PJ Accounts). These fees and deposits were not evaluated by the project team, other than to evaluate the initial deposit for structure and sufficiency. Additionally, during discussion with staff it was identified that the deposit-based fees are very closely tracked, monitored, and updated by staff in Land Development. Therefore, the project team assumed that all revenue collected for deposit-based fees was consistent with the cost associated with those services. The following table shows by major revenue category, the revenue at current fee, the total annual cost, the annual surplus / (deficit), and the cost recovery percentage.

Table 13: Annual Revenue Impacts – Land Development

Category	Revenue at Current	Revenue at Total Cost	Annual Surplus / (Deficit)	Cost Recovery %
Flat Fees	\$7,200	\$15,589	(\$8,389)	46%
Deposit-Based Fees	\$1,373,891	\$1,373,891	\$0	100%
TOTAL	\$1,381,091	\$1,389,480	(\$8,389)	99%

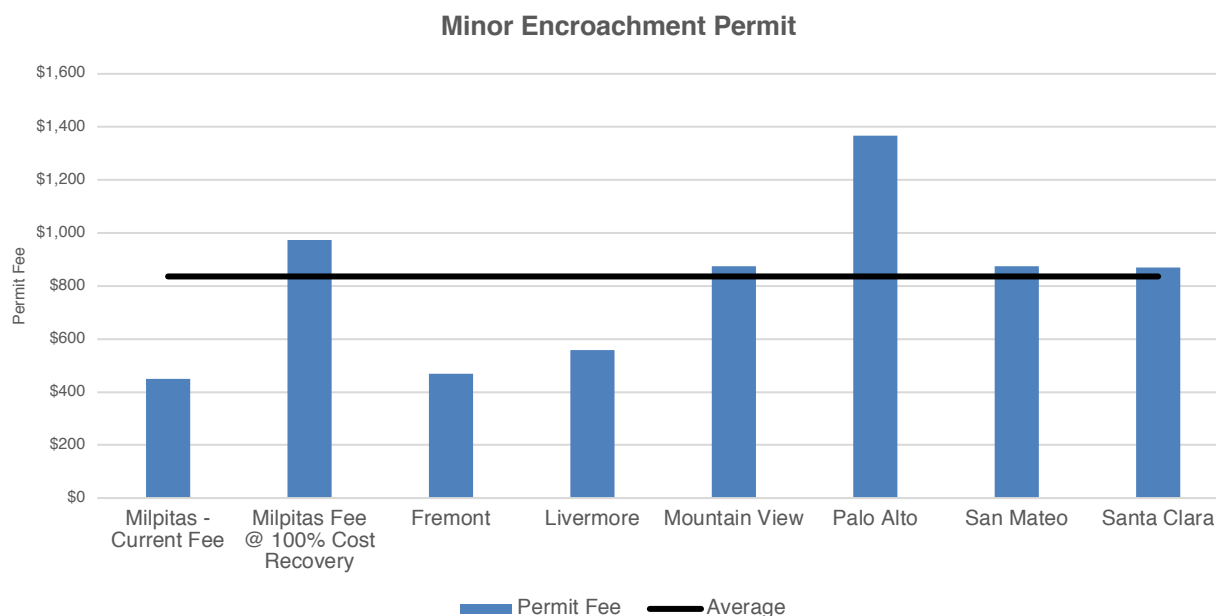
As the table indicates, Land Development is recovering approximately 99% of its costs. However, as aforementioned, this cost recovery is dependent upon the department ensuring that it is billing all plan review and inspection time to the appropriate deposit account.

6 COMPARATIVE SURVEY

As part of this study, the City requested a comparison of how their current fees and total cost related to other similar sized and regionally located jurisdictions. The following subsections compare the flat fees for Engineering to other surrounding jurisdictions.

1 Minor Encroachment Permit

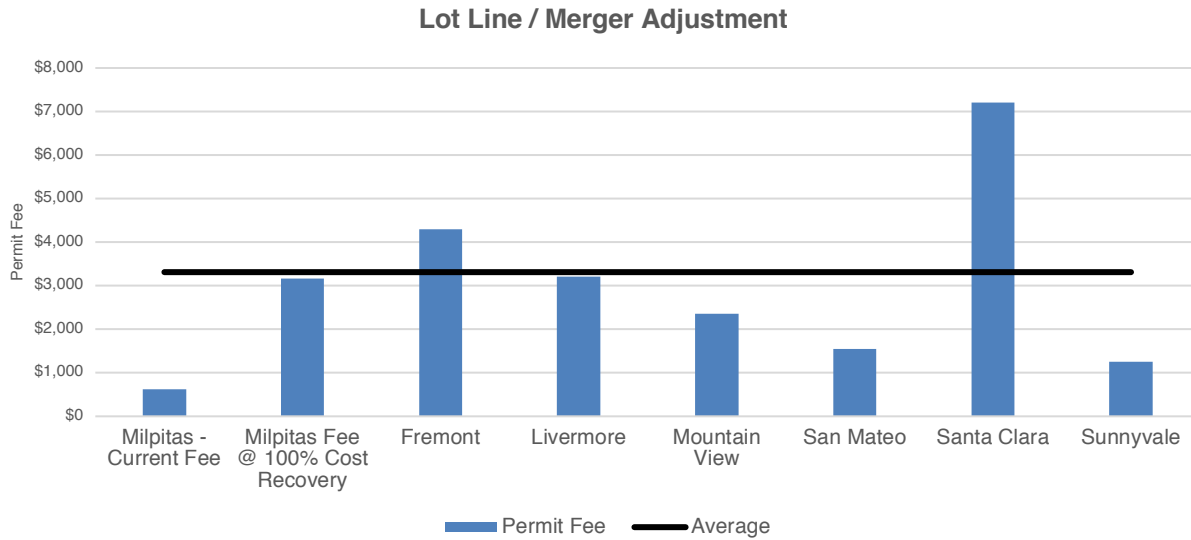
The City of Milpitas currently charges a \$450 flat fee for Minor Encroachment permits. Through this cost of services analysis, the project team calculated the full cost to provide the service to be \$974. The following graph shows how the department's current fee and total cost compare to other local jurisdictions for Minor Encroachment Permits.



The City's current fee for minor encroachment permits at \$450 is below the average of surrounding jurisdictions, which is \$836. However, its full cost calculated for minor encroachment permits at \$974 is slightly higher than the average fee.

2 Lot Line / Merger Adjustment

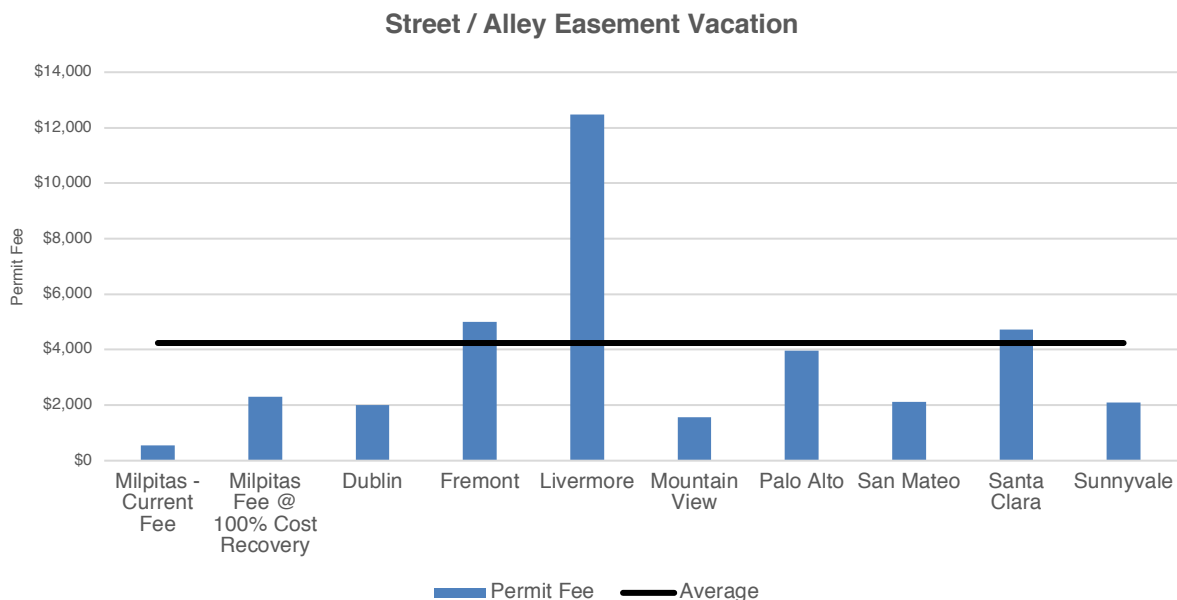
The City of Milpitas currently charges \$615 for a Lot Line / Merger Adjustment permit and through this cost of services analysis, the project team calculated the full cost to be \$3,157 (Engineering + Planning). The following graph shows how the Department's current fee and total cost compare to other local jurisdictions for Lot Line / Merger adjustments.



As the chart indicates, the City's current fee and full cost fee are both below the average of \$3,311 charged by surrounding jurisdictions. The high average fee is being skewed due to Santa Clara's fee. If the outlier is removed, the average fee drops to \$2,500.

3 Street / Alley Easement Vacation

The City of Milpitas currently charges \$545 for a Street / Alley Easement Vacation permit in the Public Right-of-Way and through this cost of services analysis, the project team calculated the full cost to be \$2,294. The following graph shows how the Department's current fee and total cost compare to other local jurisdictions for Street / Alley Easement Vacations.



As the chart indicates, the City's current and full cost fee are below the average of \$4,241 charged by other jurisdictions. This high average is a result of Livermore's fee. If Livermore's fee is excluded, the average fee would be close to \$3,000; which, is still higher than the City's current and full cost recovery fee amounts.

7. Fire Prevention

The Fire Prevention Division is part of the Fire Department. It is responsible for conducting all fire / life safety development review and inspection activities as it relates to enforcement of fire codes. The activities include conducting fire and arson investigations, hazard abatement, and code enforcement. The following subsections provide an overview of modifications made to the Fire Prevention Division's fee schedules, the detailed per unit analysis results, the potential annual revenue impacts, and a comparison of certain fees to other jurisdictions.

1 FEE SCHEDULE MODIFICATIONS

In discussion with the Fire Prevention division staff there were minimal modifications made to their fee schedule. The current version of the Fire Prevention fee schedule has been gradually changing as new services are being provided. The modifications made to the Fire fee schedule were in relation to the following:

- **Addition of New Fees:** The division wanted to add a singular new fee under its Annual Operational permits for a Combustible Dust Producing Facility. This is to account for an additional type of operational permit that will be issued by Fire.
- **Expansion of Fee Categories:** Currently, the malls category under annual operational permits covered any mall (small or large). In an effort to be more reflective of the true cost it takes to issue these annual operational permits, the division recommended breaking these out into three categories – small, medium, and large – based upon the square footage of the mall. These new categories can help account for the true cost associated with each type of mall.
- **Consolidation of Fee Categories:** The division charges for underground tanks separately based upon whether they are vacuum pressure hydrostatic or not; however, during discussions it was determined that this should be consolidated into a singular category.
- **Description Clarification:** The division also worked with the project team to clarify the wording in the fee schedule around several of the fees to ensure that they accurately captured when and how the fee would be charged and to which type of businesses the fee was applicable.

Ultimately, the modifications made to the fees are meant to further refine the fee schedule to ensure that any and all services that are fee-related are reflected upon the City's fee schedule.

2 PER UNIT ANALYSIS

The Fire Prevention Division collects fees related to annual operational permits, hazardous material permits, and building plan check and inspection services. The total cost calculated for each service includes direct staff costs, departmental and citywide overhead. The following table details the fee name, current fee, total cost, and surplus or deficit associated with Fire Development Review fees.

Table 14: Per Unit Results – Fire

Fee Name	Current Fee	Total Cost Per Unit	Surplus / (Deficit) per Unit
ANNUAL OPERATIONAL PERMITS			
A-1 Occupancy (theaters and other small viewing halls)	\$828	\$1,105	(\$277)
A-2 Occupancy (Food & Drink Establishment)	\$621	\$835	(\$214)
A-3 Occupancy (Worship, recreation, or amusement)	\$621	\$835	(\$214)
A-4 & A-5 Occupancy (indoors or outdoors sport event structures)	\$1,449	\$1,913	(\$464)
High Piled Storage	\$828	\$1,105	(\$277)
Malls			
Mall - small (0 to 50,000 s.f.)	\$1,449	\$822	\$627
Mall - medium (50,001 to 100,000 s.f.)	\$1,449	\$1,374	\$75
Mall - large (over 100,000 s.f.)	\$1,449	\$1,913	(\$464)
Combustible Dust Producing Facility	\$0	\$552	(\$552)
Motels	\$621	\$835	(\$214)
Hotels & Multi-Story Structures (<5 stories)	\$1,242	\$1,644	(\$402)
Hotels & Multi-Story Structures (5+ stories) - per floor	\$311	\$276	\$34
Commercial Daycare - Small (<100 children or elderly)	\$414	\$539	(\$125)
Commercial Daycare - Large (100+ children or elderly)	\$828	\$1,078	(\$250)
Residential - Small Family Daycare (8 or fewer children)	\$0	\$270	(\$270)
Residential - Large Family Daycare (9-14 children)	\$104	\$135	(\$31)
Residential - Elderly Care (6 or fewer people)	\$0	\$135	(\$135)
Small Apartments (3-4 units)	\$311	\$270	\$41
Medium Apartments (5-15 units)	\$1,242	\$1,078	\$164
Large Apartments (more than 15 units)	\$1,656	\$1,618	\$38
Small Chemical User (Example: doctor/dentist, dry cleaner, photo shop, graphic design, print shop, automobile engine repair, propane, CO2 beverage dispensing system, battery systems, emergency generators, pools, etc.)	\$414	\$565	(\$151)
Medium Chemical User (Example: automobile body shop, research and design, analytical labs, pool supplies, big-box retail stores)	\$1,035	\$1,400	(\$365)
Large Chemical User (Semiconductor or similar facilities)	\$1,656	\$2,209	(\$553)
Plating Shops	\$1,242	\$1,670	(\$428)
Small Toxic Gas - Annual Monitoring Certification	\$828	\$1,078	(\$250)
Large Toxic Gas - Annual Monitoring Certification	\$1,656	\$2,157	(\$501)
Mobile Fueling - Vendor	\$1,035	\$1,400	(\$365)
Mobile Fueling - Site	\$1,035	\$1,400	(\$365)
Underground Tanks	\$621	\$849	(\$228)
Urban Runoff Inspections - Industrial	\$414	\$565	(\$151)
Urban Runoff Inspections - Restaurants (once every 2 years)	\$414	\$565	(\$151)

Fee Name	Current Fee	Total Cost Per Unit	Surplus / (Deficit) per Unit
Other Miscellaneous Annual Inspections Fee - per hour	\$207	\$270	(\$63)
CONSTRUCTION REVIEW / PERMIT / INSPECTION			
Building Life / Safety:			
Demolition Fees:			
Interior or Partial Building or Misc. Demolition	\$414	\$540	(\$126)
Complete Building with or without Site Demolition	\$621	\$811	(\$190)
Grading Fees: These are only assessed if permits are submitted separately to Building Department from new construction or remodel permits.			
Less than 1 acre	\$414	\$540	(\$126)
1-5 acres	\$621	\$811	(\$190)
Greater than 5 acres	\$828	\$1,081	(\$253)
Site Improvement Fees: These are only assessed if permits are submitted separately to Building Department from new construction or remodel permits.			
Less than 1 acre	\$621	\$811	(\$190)
1-5 acres	\$1,242	\$1,621	(\$379)
Greater than 5 acres – per acre	\$414	\$270	\$144
New Building – Shell:			
Less than 5,000 sq. ft.	\$621	\$811	(\$190)
5,000-25,000 sq. ft.	\$1,242	\$1,621	(\$379)
25,000-50,000 sq. ft.	\$1,863	\$2,432	(\$569)
50,000+ sq. ft. – per sq. ft.	\$0.04	\$0.05	(\$0.01)
New Building – New Construction:			
Less than 5,000 sq. ft.	\$621	\$811	(\$190)
5,000-25,000 sq. ft.	\$1,656	\$2,161	(\$505)
25,000-50,000 sq. ft.	\$3,105	\$4,053	(\$948)
50,000+ sq. ft. – per sq. ft.	\$0.06	\$0.08	(\$0.02)
Additions, Alterations, and Tenant Improvements:			
Less than 5,000 sq. ft.	\$621	\$515	\$106
5,000-25,000 sq. ft.	\$1,656	\$2,035	(\$379)
25,000-50,000 sq. ft.	\$3,105	\$3,800	(\$695)
50,000+ sq. ft. – per sq. ft.	\$0.06	\$0.08	(\$0.02)
Missed Plan Check by Appointment	\$207	\$270	(\$63)
Revision to Project Fee - per hour (min 1 hr)	\$207	\$270	(\$63)
Tents, Canopies, or Membrane Structures:			
4 or less	\$621	\$810	(\$189)
5+	\$828	\$1,080	(\$252)
Temporary Assembly (Indoors or outdoors), with or w/out tent			
Occupancy 50-299	\$621	\$810	(\$189)
Occupancy 300-999	\$1,035	\$1,350	(\$315)
Occupancy 1000+	\$1,656	\$2,160	(\$504)
Fire Extinguishing Systems: These are typically deferred submittals and reviewed and inspected after building plan submittals.			
Fire Service Underground:			
New or Replace - each	\$1,035	\$1,349	(\$314)
Repairs	\$414	\$540	(\$126)
Fire Sprinkler Systems:			
Less than 2,000 sq. ft.	\$621	\$784	(\$163)
2,000+ sq. ft. – per sq. ft.	\$0.14	\$0.20	(\$0.06)
Hood & Duct Systems – Each	\$828	\$1,080	(\$252)

Fee Name	Current Fee	Total Cost Per Unit	Surplus / (Deficit) per Unit
FM 2000 (under floor systems, etc.) each	\$828	\$1,080	(\$252)
Other (deluge, foam, preaction, etc.) each	\$828	\$1,080	(\$252)
Fire Alarm Systems:			
Additions, Alterations, or Repairs: If more than 10 devices than the New Fire Alarm fee applies.			
1-5 Devices	\$414	\$540	(\$126)
5-10 Devices	\$828	\$1,080	(\$252)
New Fire Alarm:			
Less than 5,000 sq. ft.	\$828	\$1,080	(\$252)
5,000+ sq. ft. – per sq. ft.	\$0.12	\$0.18	(\$0.05)
Hazardous Materials - Building Construction:			
Small TI (Example: registration form, inert compressed gas system installations)	\$414	\$547	(\$133)
Medium TI (Construction not otherwise classified as Small or Large TI. Example: emergency generator, lift stations, aboveground tanks, treatment systems, battery systems, CO2 beverage dispensing system, propane system, large tank installations)	\$1,035	\$1,371	(\$336)
Large TI (H Occupancy, Plating)	\$1,863	\$2,465	(\$602)
Toxic Gas Tools (furnaces, implanter, reactors)	\$1,656	\$2,195	(\$539)
Closure - process / tools	\$621	\$824	(\$203)
Closure - Facility			
Small TI	\$0	\$412	(\$412)
Medium TI	\$621	\$824	(\$203)
Large TI	\$1,035	\$1,371	(\$336)
<u>Underground Tank Installation:</u>	\$0	\$0	\$0
4 Tank System or less with Title 23 Requirement	\$4,140	\$4,931	(\$791)
Each additional tank	\$414	\$553	(\$139)
<u>Underground Tank Removal:</u>			
2 Tank System or Less	\$1,656	\$2,201	(\$545)
Each additional tank	\$207	\$277	(\$70)
CERS & APSA			
CERS	\$414	\$553	(\$139)
APSA	\$414	\$553	(\$139)
MISCELLANEOUS FEES:			
After Hours or Fast-Track Plan Check, Inspection - 3 hrs min at OT Rate	\$932	\$953	(\$21)
Alternate Materials & Methods Review	\$82	\$981	(\$899)
New Occupancy (new business) with no Hazardous Materials	\$207	\$270	(\$63)
New Occupancy (new business) with Hazardous Materials	\$414	\$539	(\$125)
Smoke Detectors Verifications (new owner)	\$207	\$270	(\$63)
Title 19 5-year automatic fire sprinkler certification	\$621	\$784	(\$163)
Failure to cancel a scheduled inspection 24 hrs. prior	\$207	\$270	(\$63)
Temporary Certificate of Occupancy	\$104	\$135	(\$31)
Standard Hourly Rate - per hour	\$207	\$270	(\$63)
Overtime Hourly Fee - per hour	\$311	\$318	(\$7)
Other activities not listed - per hour	\$207	\$270	(\$63)
Emergency Response Mapping - new projects - per hour	\$207	\$245	(\$38)

The majority of the Fire Prevention Division's fees are under-recovering. The under-recovery ranges from a low of \$0.02 per square foot for some of the development permits

to a high of \$899 for Alternate Methods and Materials. There are only a handful of permits for which there is an over-recovery. Some of this over-recovery will be addressed with the breakout of the mall permits into different categories. Other fees demonstrating a surplus are representative of changes in processes and efficiencies adopted by the department to help reduce the cost for fire inspections and permits. The average per unit cost recovery for Fire Prevention is approximately 81%.

3 ANNUAL RESULTS

The Fire Prevention Division is under-recovering for its fee-related costs by approximately \$395,500. The following table shows the annual workload volume, projected revenue at current fee, total annual cost, and the associated surplus or deficit.

Table 15: Annual Results – Fire

Fee Name	Annual Volume	Annual Revenue	Total Cost - Annual	Surplus / (Deficit) - Annual
ANNUAL OPERATIONAL PERMITS				
A-1 Occupancy (theaters and other small viewing halls)	2	\$1,656	\$2,209	(\$553)
A-2 Occupancy (Food & Drink Establishment)	171	\$106,191	\$142,785	(\$36,594)
A-3 Occupancy (Worship, recreation, or amusement)	139	\$86,319	\$116,065	(\$29,746)
A-4 & A-5 Occupancy (indoors or outdoors sport event structures)	1	\$1,449	\$1,913	(\$464)
High Piled Storage	39	\$32,292	\$43,080	(\$10,788)
Motels	9	\$5,589	\$7,515	(\$1,926)
Hotels & Multi-Story Structures (<5 stories)	10	\$12,420	\$16,438	(\$4,018)
Hotels & Multi-Story Structures (5+ stories) - per floor	3	\$932	\$828	\$103
Commercial Daycare - Small (<100 children or elderly)	32	\$13,248	\$17,255	(\$4,007)
Commercial Daycare - Large (100+ children or elderly)	7	\$5,796	\$7,549	(\$1,753)
Residential - Small Family Daycare (8 or fewer children)	61	\$0	\$16,446	(\$16,446)
Residential - Large Family Daycare (9-14 children)	45	\$4,658	\$6,066	(\$1,409)
Small Apartments (3-4 units)	197	\$61,169	\$53,113	\$8,055
Medium Apartments (5-15 units)	1	\$1,242	\$1,078	\$164
Large Apartments (more than 15 units)	21	\$34,776	\$33,971	\$805
Small Chemical User	348	\$144,072	\$196,756	(\$52,684)
Medium Chemical User	62	\$64,170	\$86,824	(\$22,654)
Large Chemical User (Semiconductor or similar facilities)	5	\$8,280	\$11,046	(\$2,766)
Plating Shops	5	\$6,210	\$8,350	(\$2,140)
Small Toxic Gas - Annual Monitoring Certification	3	\$2,484	\$3,235	(\$751)
Large Toxic Gas - Annual Monitoring Certification	2	\$3,312	\$4,314	(\$1,002)
Other Miscellaneous Annual Inspections Fee - per hour	14	\$2,898	\$3,775	(\$877)
CONSTRUCTION REVIEW / PERMIT / INSPECTION				
Building Life / Safety:				
Demolition Fees:				
Interior or Partial Building or Misc. Demolition	9	\$3,726	\$4,861	(\$1,135)

Fee Name	Annual Volume	Annual Revenue	Total Cost - Annual	Surplus / (Deficit) - Annual
Complete Building with or without Site Demolition	2	\$1,242	\$1,621	(\$379)
Grading Fees: These are only assessed if permits are submitted separately to Building Department from new construction or remodel permits.				
Less than 1 acre	10	\$4,140	\$5,401	(\$1,261)
1-5 acres	2	\$1,242	\$1,621	(\$379)
Site Improvement Fees: These are only assessed if permits are submitted separately to Building Department from new construction or remodel permits.				
Less than 1 acre	11	\$6,831	\$8,916	(\$2,085)
1-5 acres	13	\$16,146	\$21,074	(\$4,928)
New Building – New Construction:				
Less than 5,000 sq. ft.	531	\$329,751	\$430,404	(\$100,653)
5,000-25,000 sq. ft.	7	\$11,592	\$15,128	(\$3,536)
25,000-50,000 sq. ft.	6	\$18,630	\$24,317	(\$5,687)
50,000+ sq. ft. – per sq. ft.	840,046	\$52,167	\$68,054	(\$15,887)
Additions, Alterations, and Tenant Improvements:				
Less than 5,000 sq. ft.	187	\$116,127	\$96,263	\$19,864
5,000-25,000 sq. ft.	42	\$69,552	\$85,455	(\$15,903)
25,000-50,000 sq. ft.	15	\$46,575	\$56,995	(\$10,420)
50,000+ sq. ft. – per sq. ft.	452,147	\$28,078	\$34,913	(\$6,835)
Tents, Canopies, or Membrane Structures:				
4 or less	11	\$6,831	\$8,907	(\$2,076)
5+	6	\$4,968	\$6,481	(\$1,513)
Fire Extinguishing Systems: These are typically deferred submittals and reviewed and inspected after building plan submittals.				
Fire Sprinkler Systems:				
Less than 2,000 sq. ft.	242	\$150,282	\$189,822	(\$39,540)
2,000+ sq. ft. – per sq. ft.	3,198,451	\$447,783	\$411,621	\$36,162
Hood & Duct Systems – Each	14	\$11,592	\$15,122	(\$3,530)
Other (deluge, foam, preaction, etc.) each	5	\$4,140	\$5,401	(\$1,261)
Fire Alarm Systems:				
Additions, Alterations, or Repairs: If more than 10 devices than the New Fire Alarm fee applies.				
1-5 Devices	70	\$28,980	\$37,806	(\$8,826)
5-10 Devices	45	\$37,260	\$48,607	(\$11,347)
New Fire Alarm:				
Less than 5,000 sq. ft.	119	\$98,532	\$128,540	(\$30,008)
MISCELLANEOUS FEES:				
New Occupancy (new business) with Hazardous Materials	23	\$9,522	\$12,402	(\$2,880)
TOTAL		\$2,104,851	\$2,500,347	(\$395,497)

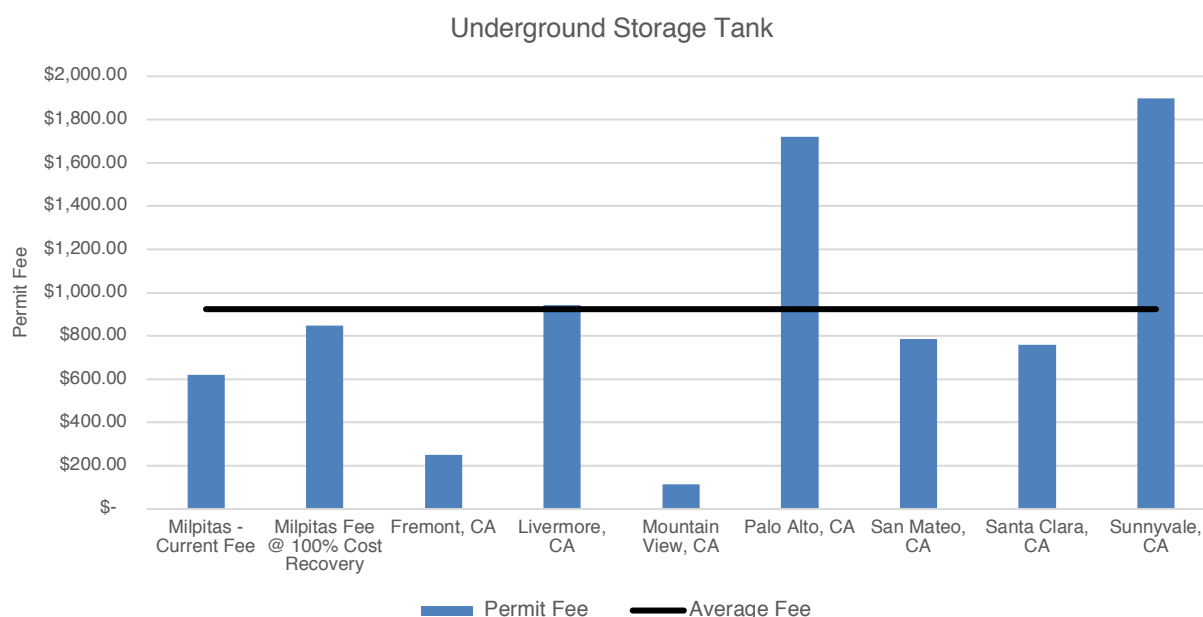
As the table above indicates, the Fire Prevention Division is recovering approximately 84% of its fee-related costs annually. The 84% cost recovery represents a deficit of approximately \$395,000. The largest component of this deficit is new construction permits for building projects. Updating fire fees to full cost recovery will help ensure that this deficit is minimized.

4 COMPARATIVE SURVEY

As part of this study, the City requested a comparison of how their current fees and total cost related to other similar sized and regionally located jurisdictions. The following subsections provide a comparative look at the services evaluated by the project team related to Fire Prevention fees.

1 Underground Storage Tank

The City is currently charging a flat fee of \$621 for Underground Storage Tank permits. Through this study, the total cost of providing this service was calculated at \$849. The following graph shows how the Department's current fee and total cost compare to other local jurisdictions.

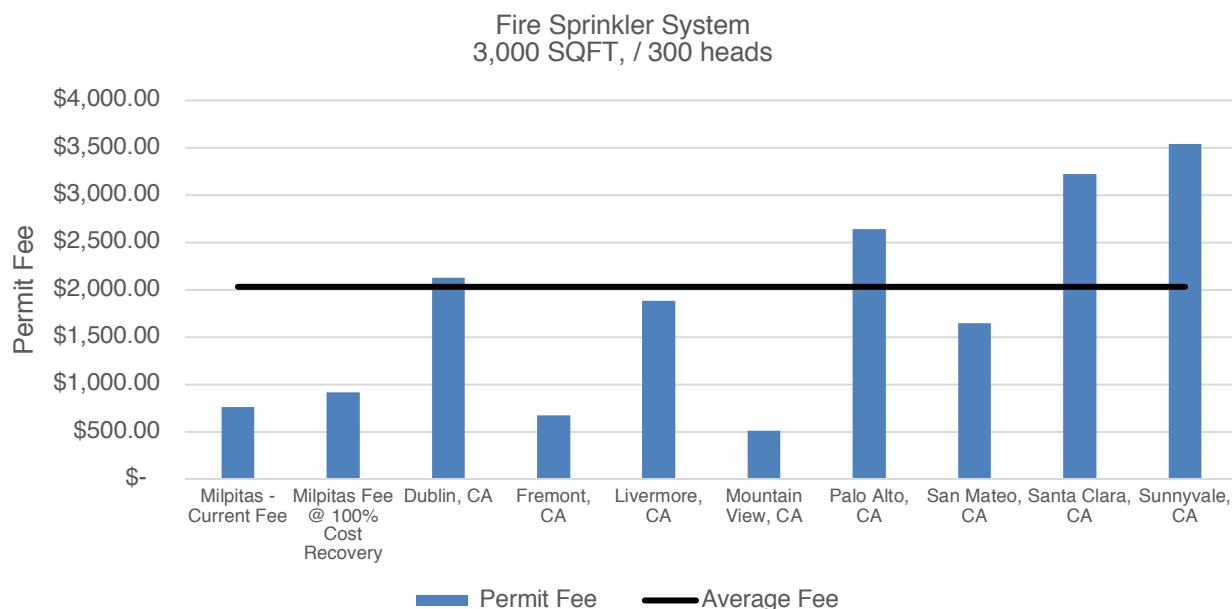


As the graph above indicates, the current fee charged by the City of Milpitas, as well as the full cost, are below the average fee of \$924 associated with surrounding jurisdictions. The City's current and proposed fees are above those of Fremont and Mountain View, and in line with San Mateo and Santa Clara. Both Palo Alto and Sunnyvale's fees are above the jurisdictional average.

2 Fire Sprinkler System Plan Check and Inspection – 3,000 sq. ft. / 300 Heads

The City currently charges a singular fee amount for fire sprinkler plan check and inspection, with projects less than 2,000 square feet being charged \$621, while projects greater than 2,000 square feet are charged \$621 plus \$0.14 per additional square foot above 2,000. Through this study, the total cost calculated for projects less than 2,000

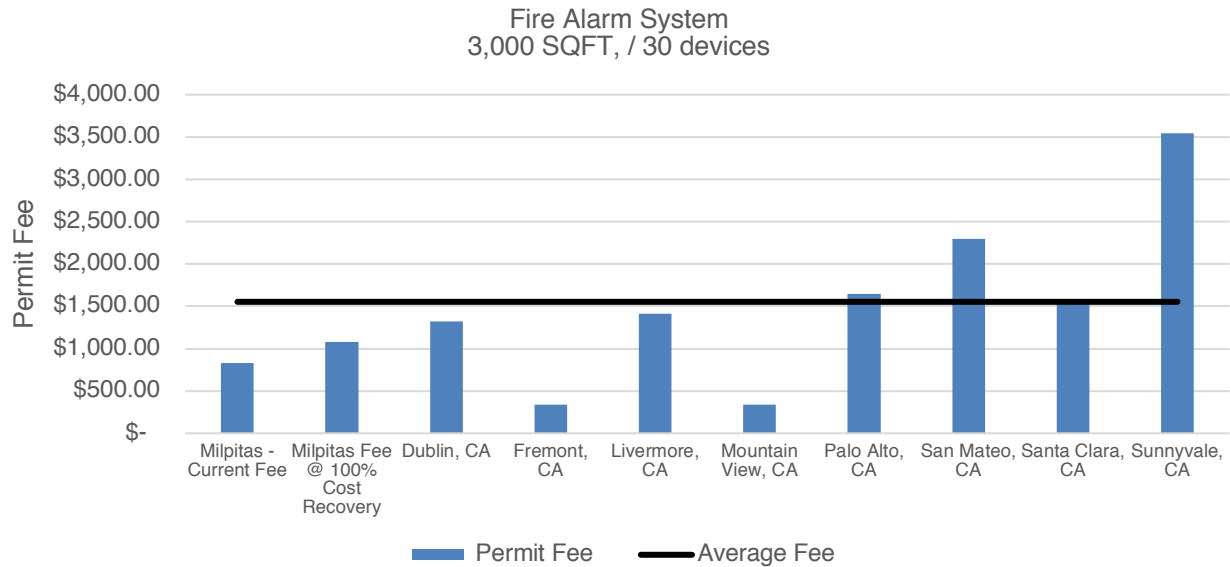
square feet was \$784, and \$0.13 per square foot beyond 2,000. The following graph shows how the department's current fee and total cost compare to other local jurisdictions.



As the graph above shows, both the current fee charged by the City, as well as the full cost are below the average fee of \$2,030 associated with surrounding jurisdictions. The City's current and full cost amounts are in line with Fremont and Mountain View, with Palo Alto, Santa Clara, and Sunnyvale well above the average. Of the jurisdictions surveyed, Milpitas is the only jurisdiction that assesses fees based on square footage. Most of the jurisdictions surveyed assess fees based on a per head metric; however, Mountain View charges hourly, and Sunnyvale charges 70% of the building permit fee. It should be noted that while Milpitas's use of square footage is not common among surveyed jurisdictions, it is used by other Fire Departments across the state and the Country.

3 Fire Alarm Systems Plan Check and Inspection – 3,000 SQFT / 30 Devices

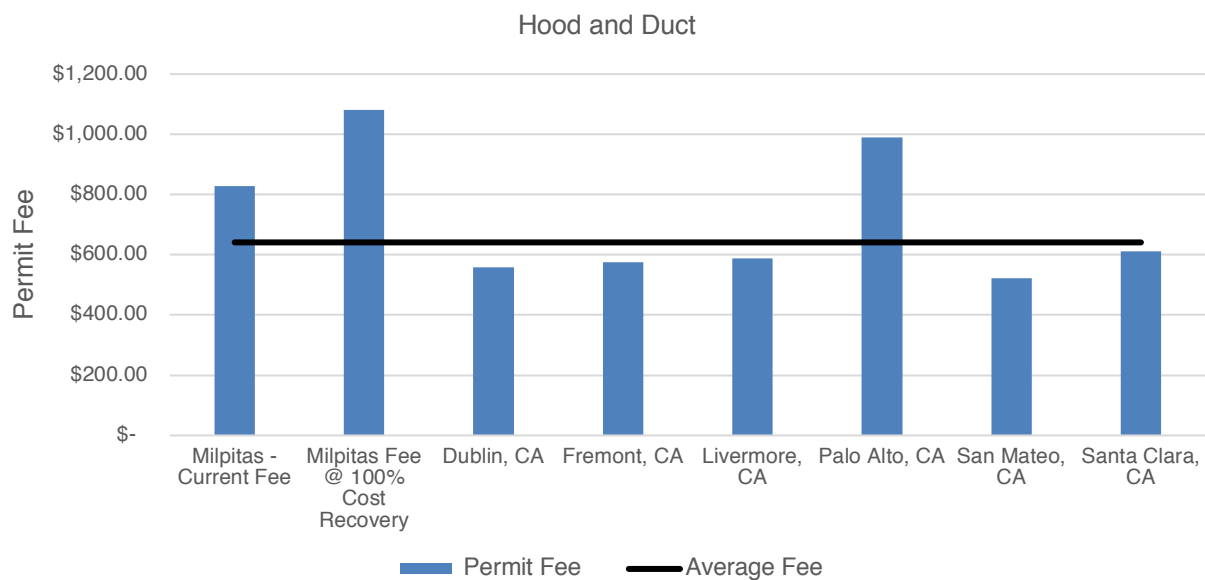
Fire alarm system plan check and inspection services are based on square footage, with projects less than 5,000 square feet being charged \$828, while projects greater than 5,000 square feet are charged \$828 plus \$0.12 per additional square foot above 5,000. This study calculated that projects less than 5,000 square feet cost the City \$1,080, and \$0.18 per square foot beyond 5,000. The following graph shows how the department's current fee and total cost compare to other local jurisdictions.



Similar to the Sprinkler fees, the current fee charged by the City, along with the full cost of alarm system permits is below the average fee of \$1,553 charged by surveyed jurisdictions. Both Fremont and Mountain View have the lowest fees for fire alarm systems, while San Mateo and Sunnyvale have fees above the jurisdictional average. The majority of jurisdictions surveyed assess fees based on the number of devices or appliances, while Sunnyvale charges 70% of the building permit fee.

4 Hood & Duct System Plan Check and Inspection

The City is currently charging a flat fee of \$828 for hood and duct systems. Through this study, the total cost calculated is \$1,080. The following graph shows how the department's current fee and total cost compare to other local jurisdictions.



Unlike the previous three scenarios, the City's current fee, as well as the total cost are above the jurisdictional average. Palo Alto's fee skews the average, as the remaining jurisdictions are all below the average. Mountain View and Sunnyvale were excluded from this graph, as they charge fees based on the value of the hood and duct system.

8. Planning

The Planning Department is responsible for reviewing development applications for compliance with zoning regulations and ordinances. Furthermore, the Department is also responsible for long-range planning activities which help inform policy decisions related to the overall growth and development of the City. The following subsections provide an overview of modifications made to the Planning Department's fee schedules, the detailed per unit analysis results, the potential annual revenue impacts, and a comparison of certain fees to other jurisdictions.

1 FEE SCHEDULE MODIFICATIONS

During discussions with staff the primary modification made to the Planning Fee schedule was to convert a variety of deposit-based fees (private job account fees) to flat fees. Converting deposit-based fees to flat fees has the following advantages:

- **Transparency in cost for services** – The flat fee clearly indicates to the developer and the applicant up front the cost for that type of permit.
- **Reduced administrative effort and cost** – Flat fees mitigate the need for Planners to keep track of their time on individual projects; as well as time for the Planning Manager and Director to review those charges. Additionally, it reduces effort for staff in the Finance department related to generating invoices and bills.

Due to these advantages as well as the ability to estimate a standardized amount of time for most planning applications, the project team worked with staff to convert the majority of their fees from deposits to flat fees. There are still certain fees due to the complexity of their nature that are being recommended to remain as deposit-based fees. The proposed deposit-based (PJ Account) fees will be discussed in the deposit-based fees section.

The project team also worked with staff to identify fees for which the City is currently providing services, but there is no specific permit or fee amount in place. The project team in conjunction with City staff identified these new fees as follows:

- **Conceptual Plan Review** – This fee allows the applicant to meet with Planning staff similar to a Pre-Application review, but it is a limited meeting in nature, and is a review of the planning project at the very beginning prior to any project development. The purpose is to meet with applicants to discuss the concept behind their initial project and the requirements for compliance.
- **Pre-Application Single Family / Additional Dwelling Units** – There is only one initial deposit amount for the Pre-Application process currently. However, in review of the PJ account information, the project team discovered that the Pre-Application

support can vary based upon the type of project. Therefore, the decision was made to create a new category to represent the support associated with smaller types of projects such as single-family or additional dwelling units.

- **Temporary Signs** – The fee is meant to permit temporary signs including banners for compliance with City requirements. The fee is charged currently as an hourly rate; for ease of applicants and administrative staff time, the project team discussed identifying it as its own permit type with a flat fee amount.
- **Noticing Fee** – The cost associated with staff time and materials for noticing is currently captured through the PJ account system; however, with the transitioning of the PJ accounts to flat fees, it is important to identify this as a separate cost for any noticing done by City staff.
- **Home Occupation Permit (Business License Review)** – Currently, Planning staff review the majority of business licenses that are related to home occupation permits for zoning compliance. There is no fee for this service. This is a fairly typical fee on many other fee schedules; and as such is being recommended to be added to the City's fee schedule.
- **Tree Removal** – The department currently reviews any tree removals as a part of a development project; however, there is currently no separate fee for the review of the information and inspection of the tree removal. As such, the project team worked with staff to identify this as a new fee to be added to the schedule.
- **Special Use Permit** – The Planning Department reviews certain types of uses of facilities such as temporary seasonal sales, temporary buildings or structures, as special uses per the Zoning Ordinance. The special use permit category would also apply to short-term rentals, or any type of use, which is tied more directly to a property owner rather than a property address. The creation of this separate category, allows the City to more transparently charge for these services. Special Use Permit goes through the same process as a Minor Conditional Use Permit.
- **Building Support** – The department currently reviews and is responsible for conducting inspections as part of the building plan review and permitting process. However, there is no specific fee on the fee schedule to help capture this support. Therefore, a flat fee is being proposed to be added for plan check and inspection support for Building projects.

Ultimately the modifications to the Planning Fee schedule help the fee schedule become more transparent, user-friendly, and reflective of services being provided by the Department.

2 PER UNIT ANALYSIS – FLAT FEES

The Planning Department collects a variety of fees related to use permits, site development permits, special events, and pre-application reviews. The total cost calculated for each service includes direct staff costs, departmental and citywide overhead. The following table details the fee name, current fee, Planning's cost, and surplus or deficit associated with each Planning Department flat fee.

Table 16: Per Unit Results – Planning

Fee Name	Current Fee / Deposit	Planning Cost Per Unit	Surplus / (Deficit) per Unit
Special Events:			
Application - minor events	\$250	\$909	(\$659)
Application - major events	\$750	\$5,054	(\$4,304)
Conceptual Review - Planning Staff Only - per meeting		\$348	
Pre-Application Review Process:			
Single Family / Additional Dwelling Units	\$5,000	\$2,073	N / A
All Others	\$5,000	\$5,821	N / A
Tentative Maps:			
Parcel Map	\$5,000	\$9,290	N / A
Tract Map	\$10,000	\$13,935	N / A
Minor Site Development:			
Staff Review	\$250	\$929	(\$679)
Staff Review - Hill Side	\$750	\$1,846	N / A
Requiring PC / CC Approval	\$750	\$5,565	N / A
Site Development:			
New Development	\$20,000	\$8,092	N / A
Additions/Alterations 200+ sf	\$3,000	\$2,073	N / A
Minor Conditional Use Permit:			
Staff Review	\$165	\$909	(\$744)
Requiring PC / CC Approval	\$750	\$2,328	N / A
Conditional Use Permit:			
Single Family Districts	\$50	\$110	(\$60)
Family Day Care Homes	\$375	\$665	(\$290)
All Other CUPs	\$3,000	\$12,152	N / A
Signs:			
Temporary (Including Banners)		\$110	
Permanent (including Wall Signs)	\$151	\$219	(\$68)
Freestanding signs over 6ft in height	\$151	\$438	(\$287)
Variance:			
Single Family	\$375	\$681	(\$306)
Signs	\$700	\$937	(\$237)
Multi-Family / Non-Residential	\$3,000	\$2,328	N / A
Special Use Permit:			
Staff Review		\$909	
Requiring PC / CC Approval		\$2,328	

Fee Name	Current Fee / Deposit	Planning Cost Per Unit	Surplus / (Deficit) per Unit
Miscellaneous Fees:			
Appeal to Planning Commission / City Council	\$100	\$1,858	(\$1,758)
Time Extensions	\$300	\$767	(\$467)
Noticing Fee		\$549	
Planning Research - per hour	\$40	\$232	(\$192)
Zoning Conformance Letter	\$40	\$219	(\$179)
Home Occupation Permit		\$55	
Tree Removal		\$222	
Building Support		\$465	

The fees highlighted in blue are the services on the current fee schedule that are PJ accounts, but will be transitioned to flat fees. Hence, the information in the first column represents the deposit amount and any over-recovery would be the potential refund owed to the applicant. Additionally, as discussed in the introduction to this table, this only reflects the costs associated with Planning staff and the deposit that is taken reflects costs for Engineering and Fire Services, and very rarely building services as well.

In regards to cost recovery on a per unit basis for Planning's cost only, the City is under-recovering for the majority of its fees. This under-recovery varies from a low of \$68 for the permanent signs to a high of \$758 for the billboard signs. The average per unit cost recovery is 63%.

As the Planning Department is transitioning the majority of its fees from deposits to flat fees, the project team worked with staff in Engineering and Fire to capture their time spent on Planning applications. The following table shows by fee name, the current fee or deposit amount, Planning's total cost, Engineering's Total Cost, Fire's Total Cost, the City's overall total cost, and the resulting surplus / (deficit) per unit.

Table 17: Per Unit Results – Planning – Total City Cost

Fee Name	Current Fee / Deposit	Planning Cost Per Unit	Eng. Total Cost Per Unit	Fire Total Cost Per Unit	Total City Cost Per Unit	Surplus / (Deficit) per Unit
Special Events:						
Application - minor events	\$250	\$909			\$909	(\$659)
Application - major events	\$750	\$5,054	\$376	\$135	\$5,565	(\$4,815)
Conceptual Review - Planning Staff Only - per meeting		\$348			\$348	
Pre-Application Review Process:						
Single Family / Additional Dwelling Units	\$5,000	\$2,073	\$265	\$270	\$2,608	N / A
All Others	\$5,000	\$5,821	\$1,535	\$1,082	\$8,438	N / A
Tentative Maps:						
Parcel Map	\$5,000	\$9,290	\$2,488	\$1,082	\$12,860	N / A

Fee Name	Current Fee / Deposit	Planning Cost Per Unit	Eng. Total Cost Per Unit	Fire Total Cost Per Unit	Total City Cost Per Unit	Surplus / (Deficit) per Unit
Tract Map	\$10,000	\$13,935	\$3,633	\$1,082	\$18,650	N / A
Minor Site Development:						
Staff Review	\$250	\$929	\$1,339	\$676	\$2,944	(\$2,694)
Staff Review - Hill Side	\$750	\$1,846	\$1,479	\$811	\$4,136	N / A
Requiring PC / CC Approval	\$750	\$5,565	\$1,618	\$1,623	\$8,806	N / A
Site Development:						
New Development	\$20,000	\$8,092	\$5,296	\$2,164	\$15,552	N / A
Additions/Alterations 200+ sf	\$3,000	\$2,073	\$1,844	\$541	\$4,458	N / A
Minor Conditional Use Permit:						
Staff Review	\$165	\$909	\$139	\$135	\$1,183	(\$1,018)
Requiring PC / CC Approval	\$750	\$2,328	\$209	\$270	\$2,807	(\$2,057)
Conditional Use Permit:						
Single Family Districts	\$50	\$110	\$139	\$270	\$519	(\$469)
Family Day Care Homes	\$375	\$665		\$270	\$935	(\$560)
All Other CUPs	\$3,000	\$12,152	\$835	\$1,082	\$14,069	N / A
Signs:						
Temporary (Including Banners)		\$110			\$110	
Permanent (including Wall Signs)	\$151	\$219	\$98		\$317	(\$166)
Freestanding signs over 6ft in height	\$151	\$438	\$98		\$536	(\$385)
Variance:						
Single Family Signs	\$375	\$681	\$70	\$203	\$954	(\$579)
Multi-Family / Non-Residential	\$700	\$937			\$937	(\$237)
	\$3,000	\$2,328	\$70	\$541	\$2,939	N / A
Special Use Permit:						
Staff Review		\$909			\$909	
Requiring PC / CC Approval		\$2,328			\$2,328	
Miscellaneous Fees:						
Appeal to Planning Commission/City Council	\$100	\$1,858			\$1,858	(\$1,758)
Time Extensions	\$300	\$767			\$767	(\$467)
Noticing Fee		\$549			\$549	(\$549)
Planning Research - per hour	\$40	\$232			\$232	(\$192)
Zoning Conformance Letter	\$40	\$219			\$219	(\$179)
Home Occupation Permit		\$55			\$55	(\$55)
Tree Removal		\$222			\$222	(\$222)

As the table indicates, once the cross-departmental support for Engineering and Fire services is added, the City is generally under-recovering for its services; suggesting that the initial deposit amount may not be sufficient to help recover the costs associated with the permitting process. The average per unit cost recovery for Planning services declines from 63% to 45% on a per unit basis.

3 DEPOSIT-BASED FEES

Currently, the Planning Department charges the majority of its fees as deposit-based fees. As aforementioned in the modifications section there are several advantages to converting deposit-based fees to flat fees. As such, the project team worked with staff to significantly reduce the number of deposit-based fees. However, there are certain services which are still extraordinary in nature and every single application can vary so greatly that it is difficult to estimate an average amount of time accurately. These fees are being recommended to remain as deposit-based fees. As part of the discussion of deposit-based fees, the project team reviewed recommended deposit amounts with City staff. The following table shows by fee name, the current deposit amount, and the proposed deposit amount.

Table 18: Deposit-Based Fees – Planning

Deposit-Based Fee Name	Current Deposit	Proposed Deposit
Amendments, General Plan, Zoning, or Specific Plan (Map or Text)	\$20,000	\$20,000
Development Agreements	\$20,000	\$20,000
Environmental Review/CEQA clearance	\$20,000	\$35,000
Planned Unit Development	\$20,000	\$20,000
Billboards		\$2,500

Other than the Environmental Review / CEQA Clearance deposit, the project team believes that the current deposit amounts are appropriate. The current deposit amount for Environmental Review / CEQA Clearance is low at the current level of \$20,000 as many jurisdictions usually assess a fee for between \$25,000-\$50,000 for these services.

4 ANNUAL RESULTS – FLAT FEES

Due to the significant restructuring of fees and converting fees from deposit-based to flat fees the project team only evaluated the annual revenue impact associated with non-deposit-based fees (currently). The following table shows the annual workload, the projected annual cost at current workload, and the associated surplus / (deficit).

Table 19: Annual Results – Planning – Current Flat Fees

Fee Name	Annual Volume	Annual Revenue	Total Cost - Annual	Surplus / (Deficit) - Annual
Conditional Use Permit:				
Family Day Care Homes	3	\$1,125	\$1,996	(\$871)
Miscellaneous Fees:				
Appeal to Planning Commission/City Council	2	\$200	\$3,717	(\$3,517)
Zoning Conformance Letter	8	\$320	\$1,753	(\$1,433)
TOTAL		\$1,645	\$7,467	(\$5,822)

Based on the current flat fees, the Planning Department is recovering approximately 22% of its costs or is under-recovering by approximately \$5,800 annually. This under-recovery is primarily due to the appeal fee.

5 ANNUAL RESULTS – OVERALL

The transitioning of fees from deposit-based, which are meant to be full cost recovery to flat fees has made it difficult for the project team to conduct an overall revenue analysis. However, the project team did collect information regarding total charges from Planning billed for FY17-18, as well as the flat fee revenue sources and compared the overall cost calculated through this study for those same services. The following table shows by major revenue category, the revenue at current fee, the total annual cost, the annual surplus / (deficit), and the cost recovery percentage.

Table 20: Annual Revenue Impacts – Planning

Category	Revenue at Current	Revenue at Total Cost	Annual Surplus / (Deficit)	Cost Recovery %
Flat Fees	\$1,645	\$7,467	(\$5,822)	22%
Deposit-Based Fees	\$342,118	\$659,796	(\$317,678)	52%
TOTAL	\$343,763	\$667,262	(\$323,499)	52%

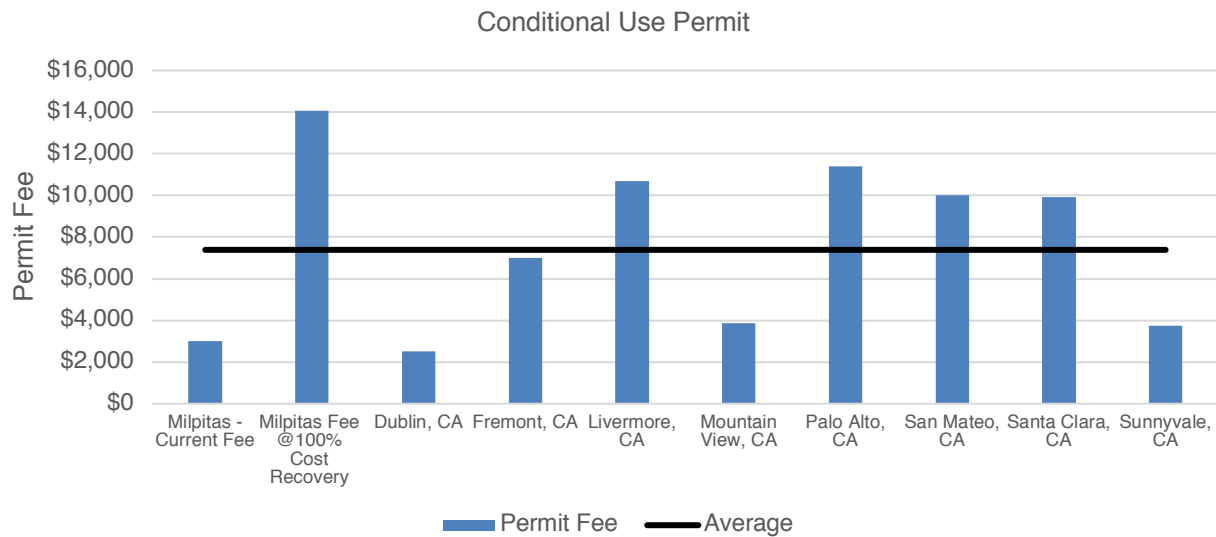
As the table indicates, the Planning Department is recovering approximately 52% of its costs related to current planning components of development review activities. The largest deficit is associated with deposit-based fees, as the current system of tracking time on deposit-based fees has not been utilized consistently or effectively by City planners due to high turnover. As such, the conversion of these fees to flat fees will allow the City to more accurately capture the cost associated with reviewing and approving planning applications.

6 COMPARATIVE SURVEY

As part of this study, the City requested a comparison of how their current fees and total cost related to other similar sized and regionally located jurisdictions. The following subsections provide a comparative look at the services evaluated by the project team related to planning fees.

1 Conditional Use Permit

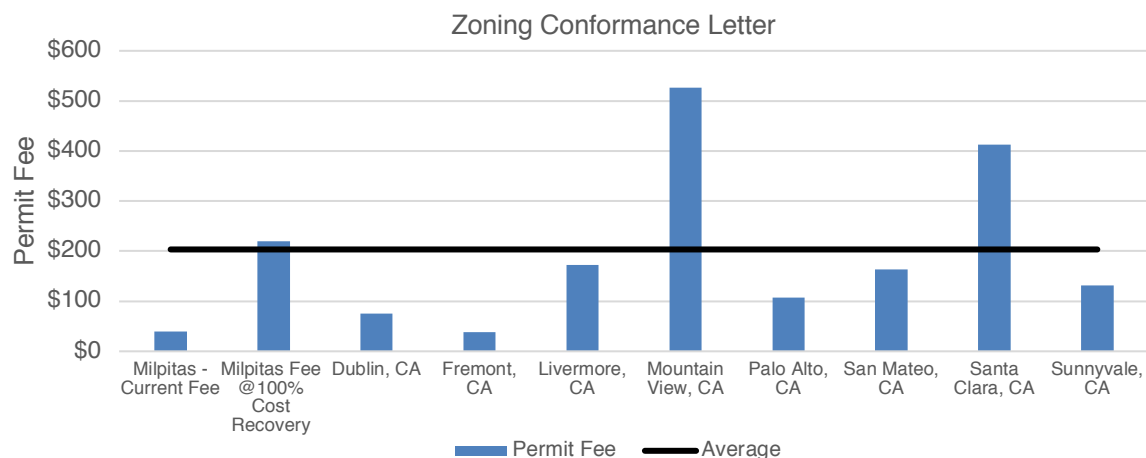
The City of Milpitas currently assesses a conditional use permit for all non-single family permits as a \$3,000 initial deposit. Through this study, the project team calculated the full cost of the permit at \$14,069. The following graph shows how the department's current fee and total cost compare to other local jurisdictions.



As the chart above indicates the City's current fee / deposit for the conditional use permit at \$3,000 is below the average fee / deposit of \$7,387 that is charged by other surrounding jurisdictions. It is important to note that other than Santa Clara, Sunnyvale, and Mountain View; all other jurisdictions charge conditional use permits as a deposit-based fee. Therefore, even if their current deposit amount is low, they could be billing for up to and / or more than Milpitas' full cost flat fee amount.

2 Zoning Verification / Conformance Letter

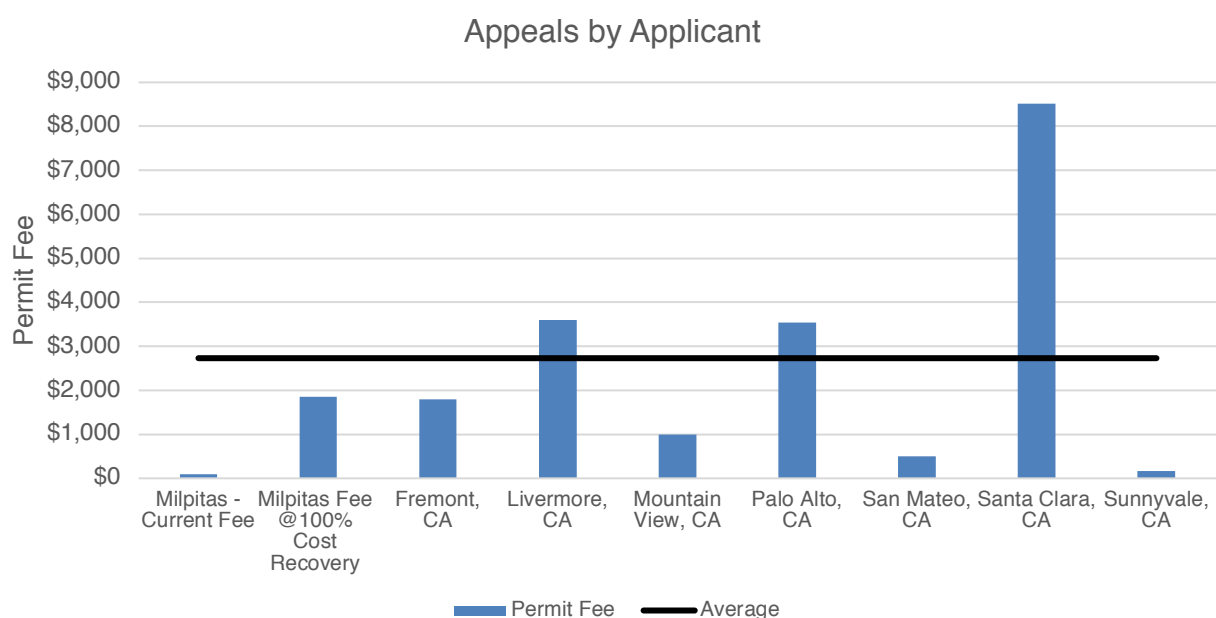
The City of Milpitas currently assesses a flat fee for zoning verification / conformance letter at \$40; through this cost of services analysis the full cost was calculated at \$219. The following graph shows how the department's current fee and total cost compare to other local jurisdictions.



As the graph above indicates, the City's current fee for the zoning conformance letter at \$40 is below the average of \$203 charged by other jurisdictions. However, the full cost calculated at \$219 is only slightly above this average fee amount.

3 Appeal to Planning Commission / City Council – by Applicant

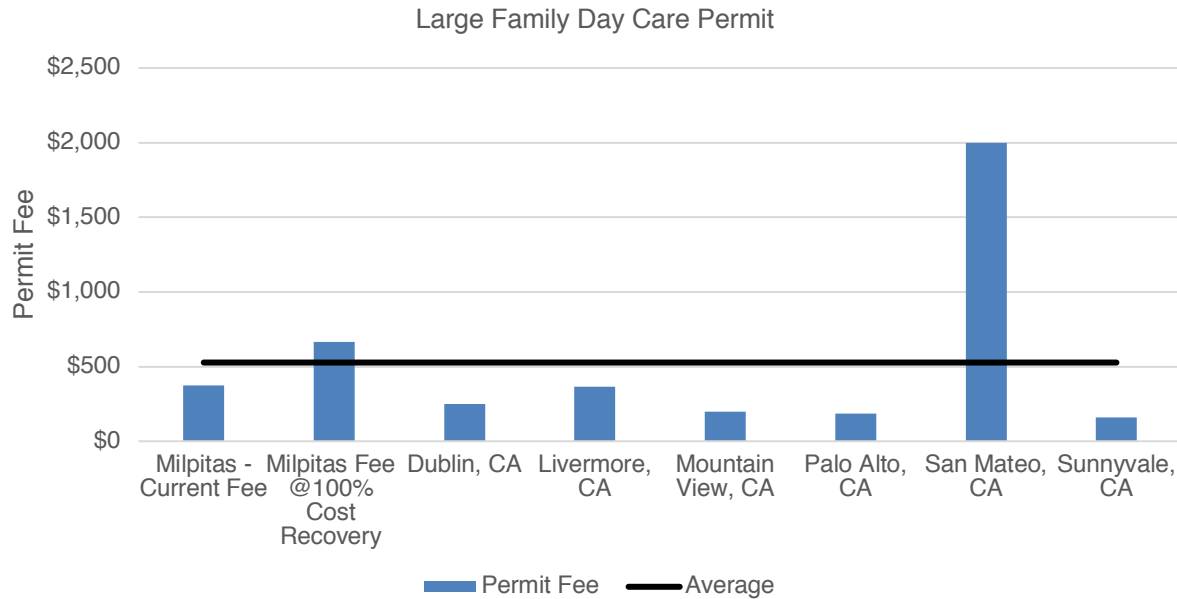
The City of Milpitas currently assesses a flat fee of \$100 for appeals to Planning Commission and / or City Council; whether those appeals are by the applicant or by the members of the public. The project team calculated that the full cost of processing an appeal is approximately \$1,858. The following graph shows how the department's current fee and total cost compare to other local jurisdictions.



As the graph indicates, Milpitas' current and full cost fee are significantly below the average fee of \$2,731 charged by surrounding jurisdictions. The average is affected by Santa Clara, who at \$8,513 is an outlier. The City of Dublin was excluded from this graph as it charges time and material for any appeals that are initiated by the applicant. The removal of Santa Clara from the graph and the average calculation reduces the average fee to \$1,767; which, is closer to the \$1,858 full cost for the City of Milpitas.

4 Daycare Permits

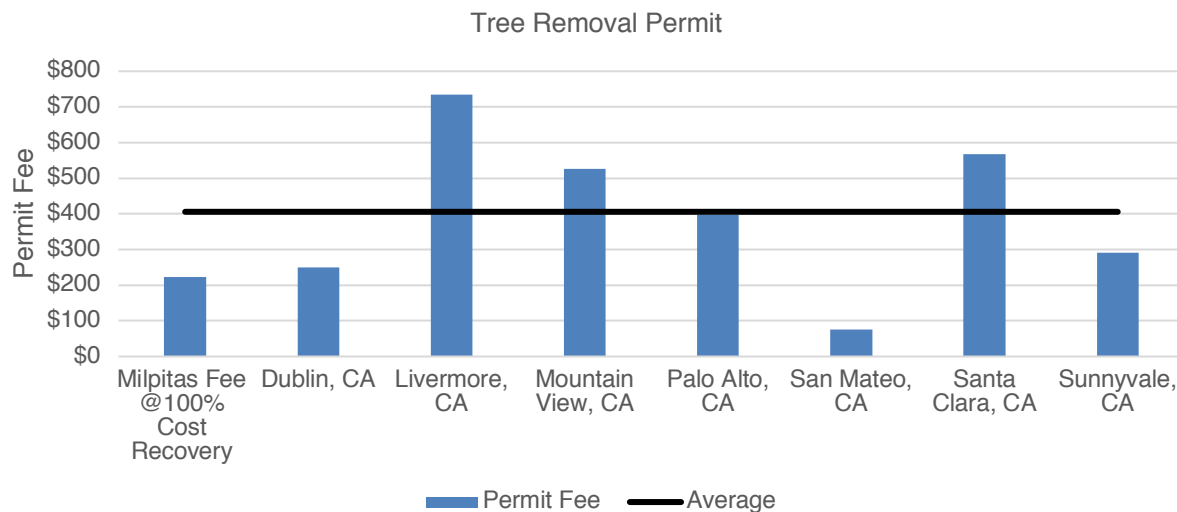
The Planning Department currently charges a flat conditional use permit fee of \$375 for large family daycare. As part of this study, the project team calculated the full cost of this service to be \$665. The following graph shows how the department's current fee and total cost compare to other local jurisdictions.



Based upon the graphic above, the City's current fee is below the average of \$527 charged by jurisdictions; but its full cost is slightly higher. However, this average is influenced by San Mateo's flat fee of \$2,000. The removal of the outlier would reduce the average to \$233; which, would be below even the City's current fee for large family day care permits.

5 Tree Removal Permit

Through this study the project team worked with City staff to identify a permit for tree removal and it was costed out at \$222. The following graph shows how the department's current fee and total cost compare to other local jurisdictions.



As the graph indicates, the City's full cost of \$222 is below the average fee of \$406 being charged by surrounding jurisdictions. The only jurisdiction with a lower fee than the City's full cost is the City of San Mateo, which charges \$75.

9. Development Services Surcharges

There are two typical surcharges assessed as part of the development review process and fee structure – general plan / community planning fee and technology / permit automation fee. The City of Milpitas currently charges both types of fees as part of its development review process. The following subsections discuss the current fee(s) charged by the City and the proposed fee calculated by the project team.

1 COMMUNITY PLANNING FEE

The City of Milpitas currently assesses a community planning fee as part of its building permit process. The community planning fee is meant to account for updates to the general plan, zoning ordinance, specific plan, Midtown Specific Plan, Transit Area Specific Plan, Bike and Pedestrian Master Plan, Parks Master Plan, Climate Action Plan, and other long-range planning activities, which are all part of the General Planning effort. This is a fairly typical fee assessed by many jurisdictions and it is calculated as a percentage of the building permit fee. The concept behind charging it on building permits is that any development project requiring a building permit makes enough of an impact on the community to require the need for an update to the zoning code and general plan.

The project team worked with staff in the Planning department to estimate the annual percentage of time spent by staff as it relates to long-range planning efforts. In addition to internal staff cost there are contracted costs associated with updates to the general plan and zoning code. The following table shows by cost component the total cost associated with each type of cost factor, the life of the cost factor, and the resulting annual cost:

Table 21: Community Planning Fee Cost Components

Cost Component	Cost Amount	Life of Cost	Annual Cost
Annual Staff Cost	\$193,505	1	\$193,505
General Plan Update	\$1,500,000	10	\$150,000
Technical Update	\$750,000	5	\$150,000
TOTAL			\$493,505

As the table above indicates, the project team estimated slightly under \$200,000 annually for staff cost. It is important to note that the \$200,000 cost factor assumes a fully burdened rate and cost for staff support. The cost amounts for the comprehensive update and the technical updates are estimates based upon other surrounding jurisdictions. While the comprehensive updates usually occur on a 10-year cycle, there is usually an interim update that occurs for some of the more technical elements.

In order to assess this fee as a percentage of the building permit fee, the project team took the annual cost associated with the community planning fee and divided it by the

total building permit revenue generated for FY17-18. The following table shows the calculation for the proposed community planning fee:

Table 22: Community Planning Fee Calculation

Cost Category	Amount
Total Community Planning Fee Annual Cost	\$493,505
FY17-18 Building Permit Revenue	\$9,981,598
Community Planning Fee - % of Building Permit Revenue	5%

As the table indicates, the calculated community planning fee is 5% of the Building permit fee. The City currently charges this fee as 5% of the building permit fee. Based upon the calculations conducted, the City should continue to assess this fee as 5% of the building permit fee. This 5% will enable the City to accurately collect funds for annual community planning efforts.

The City already follows best management practice by collecting and accounting for these funds in a separate community planning fee fund. The project team recommends that the City continue that practice. Additionally, this fund should be utilized as a resource in the City to help pay for staffing and contracted activities related to community planning efforts.

2 TECHNOLOGY FEE (PERMIT AUTOMATION FEE)

A 2.5% surcharge on permit fees is charged on most building and fire permits known as a permit automation fee. In discussions with staff and based upon comparison of other jurisdictions, it was determined that this fee should be called a technology fee. The nomenclature of technology fee allows the City to more accurately convey the intent behind the fee, which is to support the costs associated with the City's various permitting systems, the staff time for managing those permit systems, and digitizing of city projects and plans for access through the permit system; as well as bring the fee name in line with standardized practice.

As part of this study, the project team evaluated the current technology fee percentage. The city currently collects the funds for the technology fee in a separate fund. The following table shows the FY18-19 budgeted expenses for the permit automation fund by major expense category:

Table 23: Technology Fee Annual Expenses

Cost Component	Annual Cost
Personnel Services	\$348,832
Contractual Services & Supplies	\$369,539
TOTAL	\$718,371

As the table above indicates, the annual expenditures from the technology fee are approximately \$718,000. Nearly half of that cost is personnel costs as there is a full-time plan checker funded by the technology fee; additionally, there are Information Services Division staff that are paid from that fund. Typically, the staff that are budgeted out of this fund are staff that are directly related to the implementation and management of the permitting software system. While the plan checker funded through the technology fee does serve as the de-facto TRAKiT system administrator within the City, their primary role is to plan check rather than provide this support. Additionally, as there is currently no dedicated position from Information Systems (IS) that provides support to the TRAKiT software or to the other permitting systems there should be no personnel costs included for that position. Based upon these items, the only costs that should be considered as part of the technology fee are contractual services & supplies associated with purchase and maintenance of the permitting system.

As the current technology fee (formerly permit automation fee) is based on a percentage of permit fees, the project team took the total applicable technology fee expenses and divided it by the total permit revenue (excluding the technology fee and the community planning fee):

Table 24: Technology Fee Calculation

Cost Category	Amount
Technology Fee Annual Cost	\$369,539
Total Permit Revenue (Building, Planning, Engineering, Fire)	\$14,087,198
Technology Fee - % of Permit Fee	2.62%

As the table above indicates, the project team calculated the technology fee at 2.62% of the Permit Fee. This 2.62% of the Permit Fee is higher than the current fee of 2.5% charged by the City. Currently, the 2.5% charge is only applied on Building and Fire Permits and not on Planning or Land Development fees. It is the project team's recommendation that this percentage be applied to all development-related permits and for any PJ accounts, it should be applied upon the initial deposit amount. The City's current fee of 2.5%, as it is below the maximum rate of 2.62% is appropriate to continue to be charged. However, if the City would like to ensure appropriate cost recovery it should increase the fee to 2.6%.

The City should continue to account for the funds for the technology fee in a separate technology fee fund. This fund should be monitored and monies from this fund should only be used to support or fund staff that have direct impact on working on the permitting system.

10. Impact of Organizational Analysis

The project team has provided an organizational analysis for Development Review services under separate cover to the City. This organizational analysis provided several different staffing recommendations; which can be funded through fees or other revenue options. While the City has yet to determine if recommendations will be implemented immediately or in the future, as well as how fiscal impacts will be offset, the project team has calculated the impact of those organizational shifts and recommendations should the City choose to implement recommendations, and offset costs through fees. The following subsections discuss each of the specific recommendations and their impact upon fees.

1 ADDITION OF TRAKiT ADMINISTRATOR

One of the primary recommendations of the study was to implement and add a new position to administer TRAKiT and provide support for all of the permit automation features. The discussion in the organizational analysis was that this position should be paid for through the Permit Automation Fee Fund or the Technology Fee.

To capture the cost associated with the TRAKiT administrator, the project team recalculated the Technology Fee. The project team assumed that the personnel costs built into the current Permit Automation Fee fund of \$166,000 from IT services could easily be used to represent the full personnel costs associated with this position. Therefore, the following table shows the revised total annual cost for the Technology Fee:

Table 25: Technology Fee Annual Expenses

Cost Component	Annual Cost
Personnel Services	\$166,000
Contractual Services & Supplies	\$369,539
TOTAL	\$535,539

The total annual cost for the Technology Fee would result in the total costs for the technology fund increasing from \$370,000 to approximately \$535,000. The \$535,000 would then be used to calculate the updated Technology Fee. The following table shows the revised Technology Fee;

Table 26: Technology Fee Calculation

Cost Category	Amount
Technology Fee Annual Cost	\$535,539
Total Permit Revenue (Building, Planning, Engineering, Fire)	\$14,087,198
Technology Fee - % of Permit Fee	3.80%

Based upon the calculation, the City would need to increase its current fee of 2.5% applied on permit fees to 3.8% to capture the increased costs associated due to the inclusion of the TRAKiT System Administrator.

2 USE OF ADMINISTRATIVE HEARING PROCESS

The service delivery analysis states that the Planning Department should consider transitioning some of its permits to an administrative hearing process. The administrative hearing process not only helps expedite the review and decrease turnaround times. There are several permit categories that could qualify for an administrative hearing; which include: Minor Conditional Use Permits, Minor Site Development Permits, Site Development Permits, as well as Major Conditional Use Permits or Variance applications.

For both the Minor Conditional Use Permit and Minor Site Development Permit there are two subcategories – Administrative Approval or PC Subcommittee Approval. The transition to the administrative hearing process would simply mean the elimination of the PC Subcommittee Approval Fee category. However, for Site Development permits it would mean a reduction in time spent processing the permit as there would be less time for developing a staff report and attending a subcommittee meeting. The following table shows the full cost fee calculated by the project team for each of the relevant permits and the proposed cost based upon the administrative hearing implementation:

Table 27: Per Unit Results – Planning – Total City Cost

Fee Name	Total City Cost Per Unit	Revised Total City Cost Per Unit	Difference
Minor Site Development:			
Staff Review	\$2,944	\$2,944	\$0
Staff Review - Hill Side	\$4,136	\$4,136	\$0
Requiring PC Subcommittee Approval	\$8,806		
Site Development:			
New Development	\$15,552	\$12,769	(\$2,783)
Additions/Alterations 200+ sf	\$4,458	\$4,003	(\$455)
Minor Conditional Use Permit:			
Staff Review	\$1,183	\$1,183	\$0
Requiring PC / CC Approval	\$2,807		
Special Use Permit:			
Staff Review	\$909	\$909	\$0
Requiring PC / CC Approval	\$2,328		
Conditional Use Permit:			
All Other CUPs	\$14,069	\$11,940	(\$2,129)
Variance:			
Multi-Family / Non-Residential	\$2,939	\$2,357	(\$582)

As the table above indicates, the primary impact to Planning would be the elimination of the Requiring PC / CC approval fee categories. For the Site Development fee category,

Conditional Use Permit all other CUPs and Variance Multi-Family / Non-Residential, the reductions represent about a 10% to 20% decline in staff effort. This seems appropriate as eliminating a step in the approval process will not cut the time and effort in half, but there will be some reduction in effort.

3 INCLUSION OF ADDITIONAL FIRE PROTECTION ENGINEER

The other more immediate recommendation from the service delivery analysis was the addition of a Fire Protection Engineer position to the Fire Prevention Division. The addition of this position will drive up the overall cost of the Fire Prevention Division. The following table shows by fee name, the total fee calculated at current staffing and the total fee calculated at recommended staffing.

Table 28: Per Unit Results – Fire

Fee Name	Total Cost Per Unit – Current Staffing	Total Cost Per Unit – Proposed Staffing	Difference
ANNUAL OPERATIONAL PERMITS			
A-1 Occupancy (theaters and other small viewing halls)	\$1,105	\$1,003	(\$102)
A-2 Occupancy (Food & Drink Establishment)	\$835	\$754	(\$81)
A-3 Occupancy (Worship, recreation, or amusement)	\$835	\$754	(\$81)
A-4 & A-5 Occupancy (indoors or outdoors sport event structures)	\$1,913	\$1,751	(\$162)
High Piled Storage	\$1,105	\$1,003	(\$102)
Malls			\$0
Mall - small (0 to 50,000 s.f.)	\$822	\$751	(\$71)
Mall - medium (50,001 to 100,000 s.f.)	\$1,374	\$1,253	(\$121)
Mall - large (over 100,000 s.f.)	\$1,913	\$1,751	(\$162)
Combustible Dust Producing Facility	\$552	\$502	(\$50)
Motels	\$835	\$754	(\$81)
Hotels & Multi-Story Structures (<5 stories)	\$1,644	\$1,502	(\$142)
Hotels & Multi-Story Structures (5+ stories) - per floor	\$276	\$251	(\$25)
Commercial Daycare - Small (<100 children or elderly)	\$539	\$498	(\$41)
Commercial Daycare - Large (100+ children or elderly)	\$1,078	\$997	(\$81)
Residential - Small Family Daycare (8 or fewer children)	\$270	\$249	(\$21)
Residential - Large Family Daycare (9-14 children)	\$135	\$125	(\$10)
Residential - Elderly Care (6 or fewer people)	\$135	\$125	(\$10)
Small Apartments (3-4 units)	\$270	\$249	(\$21)
Medium Apartments (5-15 units)	\$1,078	\$997	(\$81)
Large Apartments (more than 15 units)	\$1,618	\$1,495	(\$123)
Small Chemical User (Example: doctor/dentist, dry cleaner, photo shop, graphic design, print shop, automobile engine repair, propane, CO2 beverage dispensing system, battery systems, emergency generators, pools, etc.)	\$565	\$505	(\$60)
Medium Chemical User (Example: automobile body shop, research and design, analytical labs, pool supplies, big-box retail stores)	\$1,400	\$1,259	(\$141)
Large Chemical User (Semiconductor or similar facilities)	\$2,209	\$2,007	(\$202)

Fee Name	Total Cost Per Unit – Current Staffing	Total Cost Per Unit – Proposed Staffing	Difference
Plating Shops	\$1,670	\$1,509	(\$161)
Small Toxic Gas - Annual Monitoring Certification	\$1,078	\$997	(\$81)
Large Toxic Gas - Annual Monitoring Certification	\$2,157	\$1,993	(\$164)
Mobile Fueling - Vendor	\$1,400	\$1,259	(\$141)
Mobile Fueling - Site	\$1,400	\$1,259	(\$141)
Underground Tanks	\$849	\$766	(\$83)
Urban Runoff Inspections - Industrial	\$565	\$505	(\$60)
Urban Runoff Inspections - Restaurants (once every 2 years)	\$565	\$505	(\$60)
Other Miscellaneous Annual Inspections Fee - per hour	\$270	\$249	(\$21)
CONSTRUCTION REVIEW / PERMIT / INSPECTION			
Building Life / Safety:			
Demolition Fees:			
Interior or Partial Building or Misc. Demolition	\$540	\$492	(\$48)
Complete Building with or without Site Demolition	\$811	\$735	(\$76)
Grading Fees: These are only assessed if permits are submitted separately to Building Department from new construction or remodel permits.			
Less than 1 acre	\$540	\$492	(\$48)
1-5 acres	\$811	\$735	(\$76)
Greater than 5 acres	\$1,081	\$978	(\$103)
Site Improvement Fees: These are only assessed if permits are submitted separately to Building Department from new construction or remodel permits.			
Less than 1 acre	\$811	\$735	(\$76)
1-5 acres	\$1,621	\$1,470	(\$151)
Greater than 5 acres – per acre	\$270	\$243	(\$27)
New Building – Shell:			
Less than 5,000 sq. ft.	\$811	\$735.21	(\$76)
5,000-25,000 sq. ft.	\$1,621	\$1,470.42	(\$151)
25,000-50,000 sq. ft.	\$2,432	\$2,205.62	(\$226)
50,000+ sq. ft. – per sq. ft.	\$0.05	\$0.05	\$0
New Building – New Construction:			
Less than 5,000 sq. ft.	\$811	\$735.21	(\$76)
5,000-25,000 sq. ft.	\$2,161	\$1,963	(\$198)
25,000-50,000 sq. ft.	\$4,053	\$3,676	(\$377)
50,000+ sq. ft. – per sq. ft.	\$0.08	\$0.07	(\$0)
Additions, Alterations, and Tenant Improvements:			
Less than 5,000 sq. ft.	\$515	\$479	(\$36)
5,000-25,000 sq. ft.	\$2,035	\$1,898	(\$137)
25,000-50,000 sq. ft.	\$3,800	\$3,547	(\$253)
50,000+ sq. ft. – per sq. ft.	\$0.08	\$0.07	(\$0)
Missed Plan Check by Appointment	\$270	\$243	(\$27)
Revision to Project Fee - per hour (min 1 hr)	\$270	\$243	(\$27)
Tents, Canopies, or Membrane Structures:			
4 or less	\$810	\$741	(\$69)
5+	\$1,080	\$984	(\$96)
Temporary Assembly (Indoors or outdoors), with or w/out tent			
Occupancy 50-299	\$810	\$741	(\$69)
Occupancy 300-999	\$1,350	\$1,234	(\$116)

Fee Name	Total Cost Per Unit – Current Staffing	Total Cost Per Unit – Proposed Staffing	Difference
Occupancy 1000+	\$2,160	\$1,969	(\$191)
Fire Extinguishing Systems: These are typically deferred submittals and reviewed and inspected after building plan submittals.			
Fire Service Underground:			
New or Replace - each	\$1,349	\$1,234	(\$115)
Repairs	\$540	\$492	(\$48)
Fire Sprinkler Systems:			
Less than 2,000 sq. ft.	\$784	\$728	(\$56)
2,000+ sq. ft. – per sq. ft.	\$0.20	\$0.12	(\$0)
Hood & Duct Systems – Each	\$1,080	\$984	(\$96)
FM 2000 (under floor systems, etc.) each	\$1,080	\$984	(\$96)
Other (deluge, foam, preaction, etc.) each	\$1,080	\$984	(\$96)
Fire Alarm Systems:			
Additions, Alterations, or Repairs: If more than 10 devices than the New Fire Alarm fee applies.			
1-5 Devices	\$540	\$492	(\$48)
5-10 Devices	\$1,080	\$984	(\$96)
New Fire Alarm:			
Less than 5,000 sq. ft.	\$1,080	\$984	(\$96)
5,000+ sq. ft. – per sq. ft.	\$0.18	\$0.17	(\$0)
Hazardous Materials - Building Construction:			
Small TI (Example: registration form, inert compressed gas system installations)	\$547	\$498	(\$49)
Medium TI (Construction not otherwise classified as Small or Large TI. Example: emergency generator, lift stations, aboveground tanks, treatment systems, battery systems, CO2 beverage dispensing system, propane system, large tank installations)	\$1,371	\$1,251	(\$120)
Large TI (H Occupancy, Plating)	\$2,465	\$2,247	(\$218)
Toxic Gas Tools (furnaces, implanter, reactors)	\$2,195	\$2,004	(\$191)
Closure - process / tools	\$824	\$753	(\$71)
Closure - Facility			
Small TI	\$412	\$376	(\$36)
Medium TI	\$824	\$753	(\$71)
Large TI	\$1,371	\$1,251	(\$120)
Underground Tank Installation:			
4 Tank System or less with Title 23 Requirement	\$4,931	\$4,494	(\$437)
Each additional tank	\$553	\$510	(\$43)
Underground Tank Removal:			
2 Tank System or Less	\$2,201	\$2,016	(\$185)
Each additional tank	\$277	\$255	(\$22)
CERS & APSA			
CERS	\$553	\$510	(\$43)
APSA	\$553	\$510	(\$43)
MISCELLANEOUS FEES:			
After Hours or Fast-Track Plan Check, Inspection - 3 hrs min at OT Rate	\$953	\$875	(\$78)
Alternate Materials & Methods Review	\$981	\$920	(\$61)
New Occupancy (new business) with no Hazardous Materials	\$270	\$249	(\$21)

Fee Name	Total Cost Per Unit – Current Staffing	Total Cost Per Unit – Proposed Staffing	Difference
New Occupancy (new business) with Hazardous Materials	\$539	\$498	(\$41)
Smoke Detectors Verifications (new owner)	\$270	\$249	(\$21)
Title 19 5-year automatic fire sprinkler certification	\$784	\$728	(\$56)
Failure to cancel a scheduled inspection 24 hrs. prior	\$270	\$249	(\$21)
Temporary Certificate of Occupancy	\$135	\$125	(\$10)
Standard Hourly Rate - per hour	\$270	\$246	(\$24)
Overtime Hourly Fee - per hour	\$318	\$292	(\$26)
Other activities not listed - per hour	\$270	\$249	(\$21)
Emergency Response Mapping - new projects - per hour	\$245	\$230	(\$15)

As the table indicates, the addition of a Fire Protection Engineer will actually result in lowering the fees, as while there will be additional direct cost, the current indirect cost will be allocated over more individuals. The level of fee reduction is as low as \$0.01 cents per sq. ft. to a high of \$437 for 4 Tank System or Less. If the Fire Prevention Division was at the recommend staffing level currently, the under-recovery for the division would go from 84% and a subsidy of \$395,000 to 92% or a subsidy of \$184,000.

The changes to the Fire Prevention Division would also impact Planning's Fees, as the Fire Protection Engineer spends time reviewing planning applications. This impact would be minimal; however, it is important. The following table shows for Planning fees which require Fire Prevention Support, the total cost calculated through the study at current staffing levels and the total cost fee at the recommended staffing levels:

Table 29: Per Unit Results – Planning – Total City Cost

Fee Name	Total City Cost Per Unit – Current Staffing	Total City Cost Per Unit – Recommended Staffing	Difference
Special Events:			
Application - major events	\$5,565	\$5,552	(\$13)
Pre-Application Review Process:			
Single Family / Additional Dwelling Units	\$2,608	\$2,581	(\$27)
All Others	\$8,438	\$8,328	(\$110)
Tentative Maps:			
Parcel Map	\$12,860	\$12,750	(\$110)
Tract Map	\$18,650	\$18,540	(\$110)
Minor Site Development:			
Staff Review	\$2,944	\$2,876	(\$68)
Staff Review - Hill Side	\$4,136	\$4,054	(\$82)
Requiring PC / CC Approval	\$8,806	\$8,641	(\$165)
Site Development:			
New Development	\$15,552	\$15,332	(\$220)
Additions/Alterations 200+ sf	\$4,458	\$4,403	(\$55)

Fee Name	Total City Cost Per Unit – Current Staffing	Total City Cost Per Unit – Recommended Staffing	Difference
Minor Conditional Use Permit:			
Staff Review	\$1,183	\$1,170	(\$13)
Requiring PC / CC Approval	\$2,807	\$2,780	(\$27)
Conditional Use Permit:			
Single Family Districts	\$519	\$492	(\$27)
Family Day Care Homes	\$935	\$908	(\$27)
All Other CUPs	\$14,069	\$13,959	(\$110)
Variance:			
Single Family	\$954	\$933	(\$21)
Multi-Family / Non-Residential	\$2,939	\$2,884	(\$55)

Similar to the Fire Prevention specific permits, the addition of the Fire Protection Engineer will help drive the overall cost down for Planning applications. This impact is minimal and ranges from a low of \$13 for Minor Conditional Use Permit for Staff Reviews to a high of \$220 for New Site Development. Overall, the impact to planning fees is less than 1% of the total cost per unit.

4 ADDITION OF LONG-RANGE PRINCIPAL PLANNER AND ADDITIONAL PLANNING STAFF TO BE FUNDED THROUGH COMMUNITY PLANNING FEE

As part of the organizational analysis, the project team is recommending that there needs to be the addition of a long-range principal planner to the Department to focus solely on general planning efforts. In addition to the dedicated Principal Planner position, there also needs to be another Planner (at the Assistant level) to help support the long-range planning efforts. These efforts include updates to the codes, helping the City lead the way in 21st century planning trends, as well as ensure that any modifications or updates to the General Plan are accounted for and concurrent with the code. As the focus of this position will be on long-range efforts, this position should be funded through the Community Planning Fee. Based upon this recommendation, the project team has made a slight alteration to the current community planning fee calculation:

Table 30: Community Planning Fee Cost Components

Cost Component	Cost Amount	Life of Cost	Annual Cost
Annual Staff Cost	\$438,657	1	\$758,837
General Plan Update	\$1,500,000	10	\$150,000
Technical Update	\$750,000	5	\$150,000
TOTAL			\$1,058,837

The primary change to the table is in relation to annual staff cost. Previously the annual staff cost included portions of specific planners as well as Planning Manager and Planning Director. Per the proposed organizational change, there will still be time and support for Planning Manager, and Planning Director, as well as the full-time cost of the Principal

Planner and the Assistant Planner will be borne by this fund. As the City does not currently have a Principal Planner as part of their salary schedule, the project team estimated the cost of the position based upon the mid-point between the Sr. Planner and the Planning Manager. The following table shows the updated cost calculation based upon these assumptions:

Table 31: Community Planning Fee Calculation

Cost Category	Amount
Total Community Planning Fee Annual Cost	\$1,058,837
FY17-18 Building Permit Revenue	\$9,981,598
Community Planning Fee - % of Building Permit Revenue	11%

As the table indicates, the revised Community Planning Fee would be 11% of the Building Permit Fee, this would represent a 6% increase from the current fee of 5% of Building Permit Fees. This additional annual fee revenue will help support Planning's ability to be proactive as it relates to general planning efforts.

5 ADDITION OF PERMIT NAVIGATOR POSITION

Per the service delivery report, there is a recommendation to enhance the City's service to the development community and residents by creating a permit navigator position. The permit navigator position would be responsible for managing the development project from start to finish and serve as the liaison between the City and the developer as it relates to development fees and processes. While the Permit Navigator position is being proposed to be located organizationally in the Planning Department, it will touch upon all development fees (Planning, Building, Engineering, and Fire). As such the support and cost for this position should be accounted for on all fees and not just Planning's fees.

The project team is proposing that the simplest and most streamlined approach for accounting for the support of this position would be to develop and administrative surcharge or Permit Navigation / Support Surcharge. This surcharge would be calculated as a percentage of the permit fee – similar to the Technology Fee.

The project team is recommending that this position come in similar to the Principal Planner compensation and expertise level. Therefore, the assumptions utilized for the Community Planning fee in terms of cost of the Permit Navigator can also be used in the development of this permit navigation surcharge. Similarly, the fee revenue used for the Technology Surcharge can serve as the basis for the Permit Navigation Surcharge. The following table shows the proposed calculation:

Table 32: Permit Navigator Fee Calculation

Cost Category	Amount
Permit Navigator Fee Annual Cost	\$373,307
Total Permit Revenue (Building, Planning, Engineering, Fire)	\$14,087,198
Permit Navigator Fee - % of Permit Fee	2.65%

As the table above indicates, the Permit Navigator surcharge would be approximately 2.65% on every single development-related permit. This surcharge would help fund this position, and enable the position to respond to development inquiries as it relates to any and all types of development review services. This permit navigator surcharge would not be optional, but rather applied on all permits pulled similar to the technology fee and community planning surcharge.

6 STANDARD TENANT IMPROVEMENT (STI) EXPEDITED PROGRAM

As part of the organizational and service delivery analysis, the project team is recommending that the City consider the development of an expedited review program targeted at Standardized Tenant Improvement projects. There would be specific types of tenant improvement projects, which would qualify for this review. The basic review process would be that that applicants would have to schedule a 2-hour block meeting for this type of expedited and dedicated review service. However, as the goal of this review is to leave with approved plans, prior to the appointment, the applicant would need to set up an appointment with a Building Plan Checker to ensure that the plans being brought to the meeting meet the City's standards of completeness.

As the STI Expedited Program would go through a separate type of review process than a typical tenant improvement plan check, there would be a different fee structure. Currently, the City's process for charging for tenant improvements is based upon the square footage and occupancy type of the tenant improvement. The proposed methodology would be to charge on a per review basis. Therefore, for every meeting there would be a fee charged, rather than the applicant paying the typical Tenant Improvement Plan Check fee from the Building fee schedule, which accounts for multiple plan reviews. The fee structure of charging per review / per meeting would allow the applicant to only truly pay for the number of meetings necessary to obtain an approved plan.

The STI Program expedited review fee is calculated based on the assumption that each review meeting would be scheduled for a 2 hour time period to allow for ample discussion time and modifications to plans. The meeting would include a Building Plan Reviewer, Fire Protection Engineer, Land Development Engineer, Traffic Engineer, and a Planner. This would allow any and all comments to be collected and addressed on the plan in that meeting. Prior to this appointment, the Plan Reviewer would meet with the applicant for

an hour to go over the plans to be submitted to ensure that they are ready for the STI program. The following table shows the proposed fee structure for the STI Program:

Table 33: STI Expedited Fees

Fee Name	Total Cost
STI Completeness Check	\$218
STI Expedited Review – per review / meeting ³	\$2,488

As the table indicates, the Expedited Review Fee would entail at minimum the \$218 completeness check and the \$2,488 STI review fee. As noted, this is a per review fee. This means that if it takes more than one meeting to obtain approved plans, the applicant would pay for as many meetings as they would like to participate in for them to receive approved plans. It is important to note, the Completeness Check fee would only apply for the very first meeting, for any subsequent meetings, the only charge that would need to be paid prior to the meeting would be the STI Expedited Review fee – per review / meeting.

7 OTHER ORGANIZATIONAL IMPACTS

The only other organizational and service delivery impact in the report that would directly impact fees is the addition of a cross-trained Community Development or Development Services Technician position. Per the project team's recommendation, the addition of this position should be a long-term goal of the City. As such, when this type of position is added within the City, at that point, the development services application fees should again be re-evaluated to ensure that the administrative support and overhead for these new Technicians are accounted for on all development applications and not just building permits.

³ The meeting and the fee have been calculated based upon a 2 hour assumption for 1 staff position each for Fire Prevention, Traffic Engineering, Land Development Engineering, Planning, and Building Plan Review.

11. Comparative Survey

As part of this Development Review Cost of Services (User Fee) study for the City of Milpitas, the Matrix Consulting Group conducted a comparative survey of fees. The City identified eight jurisdictions to be included in the comparative survey: Dublin, Fremont, Livermore, Mountain View, Palo Alto, San Mateo, Santa Clara, and Sunnyvale.

While this report will provide the City with a reasonable estimate and understanding of the true costs of providing services, many jurisdictions also wish to consider the local “market rates” for services as a means for assessing what types of changes in fee levels their community can bear. However, a comparative survey does not provide adequate information regarding the relationship of a jurisdiction’s cost to its fees. Three important factors to consider when comparing fees across multiple jurisdictions are: population, development services (Building, Planning, Engineering, and Fire) budget and workforce size. The following tables provide this information regarding the jurisdictions included in the comparative survey.

Table 34: Ranking of Jurisdictions by Population

Jurisdiction	2017 Census
Dublin	60,939
Palo Alto	67,178
Milpitas	78,106
Mountain View	81,438
Livermore	88,232
San Mateo	104,748
Santa Clara	127,134
Sunnyvale	153,656
Fremont	234,962

Table 35: Ranking of Jurisdictions by Development Services Budget

Jurisdiction	FY 18/19 Budget
Livermore	\$3,305,496
Dublin	\$3,510,038
Sunnyvale	\$3,847,430
Mountain View	\$5,024,801
Palo Alto	\$5,036,724
San Mateo	\$5,102,720
Milpitas	\$5,385,291
Santa Clara	\$9,050,661
Fremont	\$10,723,065

Table 36: Ranking of Jurisdictions by Development Services Workforce Size

Jurisdiction	FY 16 / 17 FTE
Dublin	7.50
San Mateo	13.00
Livermore	15.00
Sunnyvale	17.25
Palo Alto	17.28
Mountain View	18.25
Milpitas	25.00
Santa Clara	37.90
Fremont	46.30

Based on the data shown in the above tables, the City of Milpitas ranks lower than the average in terms of population, but on the higher end as it relates to development services operating budget and workforce.

While the above comparative information can provide some perspective when paralleling Milpitas' fees with other jurisdictions, another key factor to consider is when a comprehensive analysis was last undertaken. The following table outlines when the last fee analysis was conducted by each surveyed jurisdiction.

Table 37: Last Comprehensive Fee Analysis

Jurisdiction	Response
Dublin	2018
Fremont	2015
Livermore	2017
Mountain View	In progress
Palo Alto	2016
San Mateo	2018
Santa Clara	In progress
Sunnyvale	2009

As the table above indicates, the City of Milpitas' development review services are unique in that there has not been a comprehensive fee analysis done in over five years. The only other jurisdiction is Sunnyvale; who has not had their fees externally evaluated in the last 10 years.

Along with keeping these statistics in mind, the following issues should also be noted regarding the use of market surveys in the setting of fees for service:

- Each jurisdiction and its fees are different, and many are not based on actual cost of providing services.
- The same "fee" with the same name may include more or less steps or sub-activities. In addition, jurisdictions provide varying levels of service and have

varying levels of costs associated with providing services such as staffing levels, salary levels, indirect overhead costs, etc.

In addition to the issues noted above, market surveys can also run the risk of creating a confusing excess of data that will obscure rather than clarify policy issues. Because each jurisdiction is different, the Matrix Consulting Group recommends that the information contained in the market comparison of fees be used as a secondary decision-making tool, rather than a tool for establishing an acceptable price point for services.

On average, the survey showed that the City's fees are in line with the jurisdictions surveyed, with some fees higher than other jurisdictions and other fees significantly lower. Some of the survey results have been included in this report, and complete survey results have been provided to staff under separate cover.

12. Cost Recovery

The following sections provide guidance regarding how and where to increase fees, determining annual update factors, and developing cost recovery policies and procedures.

1 FEE ADJUSTMENTS

This study has documented and outlined on a fee-by-fee basis where the City is under and over collecting for its fee-related services. City and Department management will now need to review the results of the study and adjust fees in accordance with Departmental and City philosophies and policies. The following dot points outline the major options the City has in adjusting its fees.

- **Over-Collection:** Upon review of the fees that were shown to be over-collecting for costs of services provided, the City should reduce the current fee to be in line with the full cost of providing the service.
- **Full Cost Recovery:** For fees that show an under-collection for costs of services provided, the City may decide to increase the fee to full cost recovery immediately.
- **Phased Increase:** For fees with significantly low-cost recovery levels, or which would have a significant impact on the community, the City could choose to increase fees gradually over a set period of time.

The City will need to review the results of the fee study and associated cost recovery levels and determine how best to adjust fees. While decisions regarding fees that currently show an over-recovery are fairly straight forward, the following subsections, provide further detail on why and how the City should consider either implementing Full Cost Recovery or a Phased Increase approach to adjusting its fees.

1 Full Cost Recovery

Based on the permit or review type, the City may wish to increase the fee to cover the full cost of providing services. Certain permits may be close to cost recovery already, and an increase to full cost may not be significant. Other permits may have a more significant increase associated with full cost recovery.

Increasing fees associated with permits and services that are already close to full cost recovery can potentially bring a Department's overall cost recovery level higher. Often, these minimal increases can provide necessary revenue to counterbalance fees which are unable to be increased.

The City should consider increasing fees for permits for which services are rarely engaged to full cost recovery. These services often require specific expertise and can involve more complex research and review due to their infrequent nature. As such, setting these fees at full cost recovery will ensure that when the permit or review is requested, the City is recovering the full cost of its services.

2 Phased Increases

Depending on current cost recovery levels some current fees may need to be increased significantly in order to comply with established or proposed cost recovery policies. Due to the type of permit or review, or the amount by which a fee needs to be increased, it may be best for the City to use a phased approach to reaching their cost recovery goals.

As an example, you may have a current fee of \$200 with a full cost of \$1,000, representing 20% cost recovery. If the current policy is 80% cost recovery, the current fee would need to increase by \$600, bringing the fee to \$800, in order to comply. Assuming this particular service is something the City provides quite often, and affects various members of the community, an instant increase of \$600 may not be feasible. Therefore, the City could take a phased approach, whereby it increases the fee annually over a set period until cost recovery is achieved.

Raising fees over a set period of time not only allows the City to monitor and control the impact to applicants, but also ensure that applicants have time to adjust to significant increases. Continuing with the example laid out above, the City could increase the fee by \$150 for the next four years, spreading out the increase. Depending on the desired overall increase, and the impact to applicants, the City could choose to vary the number of years by which it chooses to increase fees. However, the project team recommends that the City not phase increases for periods greater than five years, as that is the maximum window for which a comprehensive fee assessment should be completed.

2 ANNUAL UPDATES

Conducting a comprehensive analysis of fee-related services and costs annually would be quite cumbersome and costly. The general rule of thumb for comprehensive fee analyses is between three and five years. This allows for jurisdictions to ensure they account for organizational changes such as staffing levels and merit increases, as well as process efficiencies, code or rule changes, or technology improvements.

Developing annual update mechanisms allow jurisdictions to maintain current levels of cost recovery, while accounting for increases in staffing or expenditures related to permit services. The two most common types of update mechanisms are Consumer Price Index

(CPI) and Cost of Living Adjustment (COLA) factors. The following points provide further detail on each of these mechanisms.

- **COLA / Personnel Cost Factor:** Jurisdictions often provide their staff with annual salary adjustments to account for increases in local cost of living. These increases are not tied to merit or seniority, but rather meant to offset rising costs associated with housing, gas, and other livability factors. Sometimes these factors vary depending on the bargaining group of a specific employee. Generally speaking these factors are around two or three percent annually.
- **CPI Factor:** A common method of increasing fees or cost is to look at regional cost indicators, such as the Consumer Price Index. These factors are calculated by the Bureau of Labor Statistics, put out at various intervals within a year, and are specific to states and regions.

The City should review its current options internally (COLA) as well as externally (CPI) to determine which option better reflects the goals of departments and the City. If choosing a CPI factor, the City should outline which particular CPI should be used, including specific region, and adoption date. If choosing an internal factor, again, the City should be sure to specify which factor if multiple exist.

3 POLICIES AND PROCEDURES

This study has identified the permit areas where the City is under-collecting the cost associated with providing services. This known funding gap is therefore being subsidized by other City revenue sources. Based on the information provided in this report, at a global or per unit level, the City may not have any issues with using non-fee related revenue to account for the current deficit.

Development of cost recovery policies and procedures will serve to ensure that current and future decision makers understand how and why fees were determined and set, as well as provide a road map for ensuring consistency when moving forward. The following subsections outline typical cost recovery levels and discuss the benefits associated with developing target cost recovery goals and procedures for achieving and increasing cost recovery.

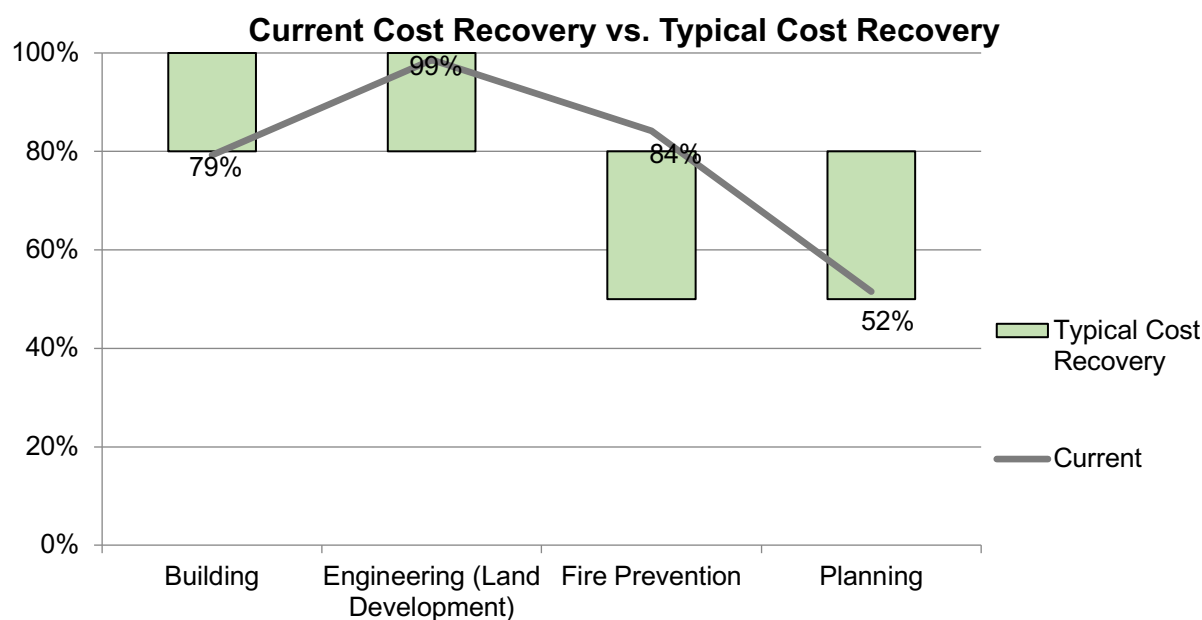
1 Typical Cost Recovery

The Matrix Consulting Group has extensive experience in analyzing local government operations across the United States and has calculated typical cost recovery levels. The table on the following page outlines these cost recovery levels by department.

Table 38: Typical Cost Recovery Levels by Department

Department	Typical Cost Recovery
Building	80 – 100%
Planning	50 – 80%
Fire	50 – 80%
Public Works / Engineering	80 – 100%

Information presented in the table above is based on the Matrix Consulting Group's experience in analyzing local government's operations across the United States and in California and reflects the *typical* cost recovery levels observed by local adopting authorities. The following graph depicts how Milpitas compares to industry cost recovery standards.



As the graph above indicates, the City of Milpitas is within the typical cost recovery levels for all services, with the exception of Building who at 79% is slightly below and Fire Prevention, who at 84%, is slightly above the typical cost recovery seen for those services.

2 Development of Cost Recovery Policies and Procedures

The City of Milpitas currently accounts for its cost recovery policy in the City's ordinance IV-3-4.00 Schedule of Fees and Charges. The following table shows the excerpt from the ordinance for the services that are relevant to development review activities:

Table 39: City of Milpitas Cost Recovery Percentages

Service Center	Cost Recovery %
Planning inquiry/research fee	100
Floodplain letter	100
Zoning letter	100
Zoning code interpretation	50
Appeal of staff interpretation	0
Appeal of planning commission decision	100
Zoning code text amendment	100
Zone change	100
Preliminary plan review	100
Development agreement	100
Development agreement amendment	100
Basic development services	100
General plan amendment	100
Planned unit development	100
S Zone applications	100
Planned signage program	100
Amendments/modifications to previous approvals	100
Tentative map	100
Parcel map	100
Newspaper advertisement	100
Planning time extension	100
General plan maintenance	100
Building plan check	100
After hours plan check	100
Plan check revisions	100
After hours plan check and inspection	100
Temporary building permit	100
Temporary building permit inspection (courtesy)	100
Building inspection	100
Building inspection—miscellaneous services	100
State strong motion fees	100
Mobile home unit inspection	80
Mobile home park common area inspection	0
Grading inspection	100
Fire construction inspection	100
Building time extension	100
Building reinspection	100
Certificate of occupancy	100
Mechanical inspection	100
Plumbing inspection	100
Electrical inspection	100
Reroofing plan check and inspection	Single Family—100 Multi-Family—100 Commercial Industrial—100
Pool and spa plan check and inspections	100
Demolition plan check and inspection	100
Building resale inspection	100
Christmas tree lot permit	100

Service Center	Cost Recovery %
Environment categorical exemption	0
Environmental initial study and negative declaration	100
Environmental impact report	100
Variance	50—100
Use permits	100
Use permits	50—100
City council appeal	0—100
Lot line/merger adjustment	100
Encroachment permit processing	100
Street/alley easement/vacation	100
Street name change	100
Street address change	100
Special use permit	0—100
Overwide/overweight load review	0
Concealed weapon permit review	0
New home occupation review	50
Records research	100

As the table above indicates, with the exception of certain items, the majority of the development-review activities are expected to recover 100% of their costs per the City's ordinance. The City's current ordinance is extremely specific and is based upon specific types of services rather than at a departmental or more general level. Additionally, as it is in the ordinance, any changes to this policy requires an ordinance amendment.

It is the project team's recommendation that the City consider extracting this table from the ordinance and modifying the language to state that per council-adopted policies the cost recovery percentages for each department or type of service area will be updated. These policies would be internal in nature and then taken to Council for approval, enabling Council to have final approval regarding City philosophy and goals regarding development review services. A department specific cost recovery policy would allow the City to better control the cost recovery associated with the different types of services being provided and the benefit being received by the community.

Item Attachment Documents:

2. Approve and Authorize the City Manager to Execute an Agreement with Airbnb, Inc. for the Voluntary Collection of the City's Transient Occupancy Tax on Residential Short-Term Rentals

Daniel Degu, 408-586-3054

Recommendation:

Approve and Authorize the City Manager to Execute a Voluntary Collection Agreement with Airbnb, Inc. for the Collection of the City's Transient Occupancy Tax on Residential Short-Term Rentals, with Negotiating Authority Granted to the City Attorney to Negotiate Better Terms with Airbnb, Inc.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Approve and Authorize the City Manager to Execute an Agreement with Airbnb, Inc. for the Voluntary Collection of the City's Transient Occupancy Tax on Residential Short-Term Rentals
Category:	Community Development
Meeting Date:	4/30/2019
Staff Contact:	Daniel Degu, 408-586-3054
Recommendation:	Approve and Authorize the City Manager to Execute a Voluntary Collection Agreement with Airbnb, Inc. for the Collection of the City's Transient Occupancy Tax on Residential Short-Term Rentals, with Negotiating Authority Granted to the City Attorney to Negotiate Better Terms with Airbnb, Inc.

Background:

Short-term rentals allow partial to entire-home rental to lodgers seeking short-term accommodations, often through online rental marketplaces, for a consecutive period of 30 or fewer days. The short-term rental industry, including Airbnb (Air-bed and breakfast), HomeAway, and VRBO (Vacation Rentals by Owner), have grown over eight hundred percent (800%) since 2011, according to Host Compliance, and totaled an unprecedented eight million rental listings worldwide in 2017.

According to Host Compliance, there were approximately 341 short-term rentals available within Milpitas City limits as of November 2018. Of the 341 short-term rentals available, roughly 235 short-term rentals are single-family, 85 short-term rentals are multi family, and 21 short-term rentals are unknown property types. Furthermore, of the 341 short-term rentals available about 197 short-term rentals are considered a partial home rental while 126 short-term rentals are listed as an entire home.

The Milpitas Municipal Code currently defines short-term rentals as hotels generally and does not allow them in any residential zoning district. The City Council has the authority to regulate or prohibit short-term rentals within City limits and consistent with City Council Economic Development and Job Growth priority, staff explored issues related to short-term rentals through community engagement and subsequent City Council direction.

On December 13, 2018, and January 17, 2019, two community meetings on short-term rentals were held. City staff provided an oral presentation and answered questions from attendees. Community members at these meetings were in support of short-term rentals with comments including that supplemental income from short-term rentals are good for both the residential property owner and City, and questions were asked about business license requirements and safety requirements such as smoke detectors and fire extinguishers.

On December 28, 2018, a community survey on short-term rentals was launched and disseminated through the City's website, social media such as Nextdoor and Facebook, flyers and the City's local access government channel. **Exhibit A** (attached) provides a summary of the survey results.

On January 14, 2019, staff engaged the Economic Development & Trade Commission to provide background information on short-term rentals. Staff reviewed current and proposed regulations pertaining to short-term

rentals in Santa Clara County, including the City of Milpitas, and potential regulations that the City Council could consider for adoption.

On February 26, 2019, City Council directed staff to “explore a Voluntary Collection Agreement with Airbnb for collection of the City’s transient occupancy tax on behalf of Airbnb hosts who rent their residences to others using the Airbnb lodging platform.” City staff re-engaged Airbnb officials regarding their interest in entering into a Voluntary Collection Agreement, to which they remain interested in collaborating with the City.

The City Council also directed staff to “... amend the zoning code to make (short-term rentals) STRs an allowed or conditionally allowed use, ... choose to impose new transitory-lodging-specific licensing and permitting requirements, good-neighbor rules, and use restrictions and provide additional enforcement tools.” City staff spanning several departments, in conjunction with the City Attorney’s Office, has been regularly meeting to develop a new regulatory program and comprehensive Short-Term Rental Ordinance to regulate short-term rentals in Milpitas, since the City Council’s direction in February 2019.

On April 8, 2019, staff re-engaged the Economic Development & Trade Commission, to present recommended short-term rental regulations and to solicit feedback from Commission members. Several Commissioners provided insightful feedback and supplemental regulations such as city oversight, use restrictions, and good-neighbor rules, which will be integrated into the proposed Short-Term Rental Ordinance for City Council consideration.

Analysis:

Initially staff intended to recommend the Voluntary Collection Agreement and the Short-Term Rental Ordinance for City Council consideration at the same Council meeting. However, staff now proposes to decouple the two aforementioned action items (Voluntary Collection Agreement and Short-Term Rental Ordinance) and will proceed with City Council consideration on just the Voluntary Collection Agreement at this meeting in order to align transient occupancy tax revenues in Fiscal Year 2019-20 budget. Staff will return to City Council in late summer or early fall of 2019 to consider the adoption of a Short-Term Rental Ordinance after receiving Planning Commission recommendation.

The proposed Voluntary Collection Agreement is between Airbnb, Inc., and the City for the collection and remittance of the City’s transient occupancy tax and sales tax. The current transient occupancy tax is 14 percent and any short-term rentals operating for 30 consecutive calendar days or fewer is subject to the current business license and transient occupancy tax regulations pursuant to Section Title III, Chapter 1 and Section Title III, Chapter 13 of the Milpitas Municipal Code. Over 45 California municipalities have executed a Voluntary Collection Agreement with Airbnb, including the cities of Cupertino, Morgan Hill, Palo Alto, San Jose, Santa Clara, and Sunnyvale.

Key provisions of the proposed Voluntary Collection Agreement are summarized below:

- Airbnb agrees to assume the duties of collection and remittance of applicable transient occupancy taxes and applicable sales taxes on behalf of its hosts.
- The City agrees to waive the right to collect from Airbnb all applicable transient occupancy taxes and applicable sales taxes for any period or for any transaction prior to the effective date of the agreement. The draft agreement is not clear about whether this waiver applies just to Airbnb itself or to all of its hosts as well (precluding the City from collecting unpaid taxes that are currently owed by a host).
- Airbnb waives responsibility to remit applicable transient occupancy taxes and applicable sales taxes to the City for certain “registered” hosts and also waives any liability for those registered hosts’ failure to collect, report, or remit taxes.

- Airbnb agrees to assume liability for any failure to report, collect, or remit the correct amount of applicable transient occupancy taxes and applicable sales taxes to the City except as to the registered hosts.
- The City has audit rights as to Airbnb, but not as to individual hosts.
- Airbnb agrees to notify hosts that the applicable transient occupancy taxes and applicable sales taxes will be collected and remitted.

Airbnb has represented that if the Voluntary Collection Agreement is fully executed by May 31, 2019, Airbnb will be able to begin transient occupancy tax collection on behalf of its hosts on or about July 1, 2019, with revenues directly to the City on August 31, 2019. Airbnb estimated that there were approximately 210 hosts in Milpitas utilizing their online rental marketplace platform as of January 2019. The annual average earning for a host was \$8,800 with an average length of stay of 4.8 nights. Based on the number of hosts and annual host earnings, City staff estimates that the transient occupancy tax collected and remitted through Airbnb would be an additional approximate \$260,000 annually. The anticipated revenues will be part of the City's General Fund to support critical and essential City services.

If Council approves the recommendation, staff will negotiate and execute a Voluntary Collection Agreement with Airbnb while continuing to develop a new regulatory program and comprehensive ordinance to regulate short-term rentals in the city. An executed Voluntary Collection Agreement with Airbnb simplifies the remittance process for hosts using the Airbnb hosting platform and enables compliance with the City's current transient occupancy tax regulations; while the new regulatory program and comprehensive ordinance allows the City to preserve the residential character of existing neighborhoods and establish operating standards to reduce community impact.

Please note that merely entering into the Voluntary Collection Agreement will not create any new right for people to operate a short-term rental in the City. As noted above, short-term rentals are currently a prohibited use. The short-term rentals that are currently operating in the City, including those that are listed on Airbnb, are operating illegally under existing zoning ordinance. This does not prevent the City from taxing these illegal uses if they fit the legal definition of a taxpayer. In effect, operators of illegal short-term rentals still must pay applicable taxes. When the City amends its code later this year to allow and regulate short-term rentals, it will bring all short-term rentals into zoning conformance.

Fiscal Impact:

Airbnb, Inc., estimates that there were approximately 210 Airbnb hosts in Milpitas utilizing their online rental marketplace platform as of January 2019. The annual average earning for a Milpitas host was \$8,800 with an average length of stay of 4.8 nights. Based on the number of hosts and annual host earnings, City staff estimates that the transient occupancy tax collected and remitted through Airbnb, Inc. would be an additional approximate \$260,000 annually. The anticipated revenues will be part of the City's General Fund to support critical and essential City services.

California Environmental Quality Act:

The proposed action — to authorize the City Manager to execute a Voluntary Collection Agreement with Airbnb, Inc. — does not itself constitute a "project" under CEQA because it would not itself affect the environment in any way. It will not allow any new use to operate, nor will it impose any new or change any existing regulation of uses. It affects only the collection and remittance of already-established taxes. Therefore, CEQA does not apply. Even if the proposed project were a project under CEQA, the proposed action would be statutorily exempt under 14 Cal. Code Regs. § 15262 (exempting feasibility and planning studies). Any amendments that staff might recommend as a result of a study would be subject to a separate CEQA analysis when the amendments go before the appropriate legislative bodies (commission and council).

Recommendation:

Approve and authorize the City Manager to execute a Voluntary Collection Agreement with Airbnb, Inc. for the collection of the City's transient occupancy tax on residential short-term rentals, with negotiating authority granted to the City Attorney to negotiate better terms with Airbnb, Inc.

Attachments:

1. Exhibit A: Short-Term Rental Survey Results
2. Exhibit B: Draft Airbnb, Inc. Voluntary Collection Agreement
3. Exhibit C: 02-26-19 Council Agenda Report + Meeting Minutes

Short-term Rentals in Milpitas

Should the City of Milpitas have a short-term rental policy for the City? And if so, what should it look like?

Summary Of Responses

As of February 8, 2019, 4:28 PM, this forum had: **Topic Start**

Attendees:	139	December 28, 2018, 2:18 PM
Responses:	77	
Hours of Public Comment:	3.9	

QUESTION 1

1. Please select all of the following that apply to you?

		%	Count
Milpitas resident		93.5%	72
Employee in Milpitas		9.1%	7
Homeowner		62.3%	48
Renter - single family home or multifamily/apartment		11.7%	9
Business owner		9.1%	7
Other		1.3%	1

QUESTION 2

2. Have you ever used a short-term rental service (i.e. Airbnb, VRBO, HomeAway, etc.)? (select all that apply)

		%	Count
Used it in my travels		67.5%	52
Rented a room in my home for less than 30 days		3.9%	3
Rented out my entire house for less than 30 days		1.3%	1

Short-term Rentals in Milpitas

Should the City of Milpitas have a short-term rental policy for the City? And if so, what should it look like?

		%	Count
None of the above		32.5%	25

QUESTION 3

3. What values do you see in allowing short-term rental of residential property? (select all that apply)

		%	Count
Provides additional income		73.3%	55
Gives alternatives to standard hotel and motels		86.7%	65
Other		18.7%	14

QUESTION 4

4. If allowed, what do you see as potential issues? (select all that apply)

		%	Count
Noise		47.7%	31
Traffic		26.2%	17
Safety		49.2%	32
Parking		61.5%	40
Other		43.1%	28

QUESTION 5

5. If you are NOT supportive of allowing short-term rentals in Milpitas, would you be more supportive if the owner/resident lived in the unit while it is being rented?

Short-term Rentals in Milpitas

Should the City of Milpitas have a short-term rental policy for the City? And if so, what should it look like?

		%	Count
Yes, I would be more supportive		18.9%	14
No, I would still not support allowing short-term rentals		16.2%	12
I am generally supportive of short-term rentals		64.9%	48

QUESTION 6

6. Short-term rental guests may require parking during their stays. Which of the following rules would you support to address short-term rental parking?

		%	Count
All short-term rental parking should be contained on-site (at the property) or off-site (street parking adjacent to the property)		19.5%	15
All short-term rental parking should only be contained on-site (at the property)		49.4%	38
All short-term rental property should only be contained off-site (street parking adjacent to the property)		1.3%	1
I am not concerned about short-term rental parking		29.9%	23

QUESTION 7

7. Should a local contact person be designated by the property owner (Host)? A local contact person means a person designated by the Host who shall be available during the term of any stay for the purpose of responding to complaints or taking action to resolve such complaints.

		%	Count
Yes, a local contact person should be required for short-term rentals		74.0%	57
No, a local contact person should not be required for short-term rentals.		16.9%	13
Other		9.1%	7

**VOLUNTARY COLLECTION AGREEMENT
FOR
CITY OF MILPITAS, CALIFORNIA, TRANSIENT OCCUPANCY TAX**

THIS VOLUNTARY COLLECTION AGREEMENT (the “**Agreement**”) is dated _____, 2019 and is between **AIRBNB, INC.**, a Delaware corporation (“**Airbnb**”), and the **CITY OF MILPITAS DEPARTMENT OF FINANCIAL SERVICES** (the “**Taxing Jurisdiction**”). Each party may be referred to individually as a “**Party**” and collectively as the “**Parties.**”

RECITALS:

WHEREAS, Airbnb represents that it provides an Internet-based platform (the “**Platform**”) through which third parties offering accommodations and/or activities (“**Hosts**”) and third parties booking such accommodations and/or activities (“**Guests**”) may communicate, negotiate and consummate a direct booking transaction for accommodations and/or activities to which Airbnb is not a party (“**Booking Transactions**”); and

WHEREAS, the Taxing Jurisdiction and Airbnb enter into this Agreement voluntarily in order to facilitate the reporting, collection and remittance of applicable transient occupancy taxes and applicable sales taxes (“**Taxes**”) imposed under applicable City of Milpitas, California, law (the applicable “**Code**”), on behalf of certain Hosts for Booking Transactions completed by such Hosts and Guests on the Platform for accommodations transactions located in Milpitas, California (the “**Taxable Booking Transactions**”).

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS, PROMISES AND AGREEMENTS CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

(A) Solely pursuant to the terms and conditions of this Agreement, including only for periods in which this Agreement is effective (defined below), and solely for Taxable Booking Transactions completed on the Platform by Hosts other than those defined in Paragraphs (E) and (E-1) below, Airbnb agrees contractually to assume the duties of a Taxes collector as described in the Code solely for the collection and remittance of Taxes on behalf of such Hosts (hereinafter referred to as a “**Collector**”).

(B) Starting on _____, 2019 (the “**Effective Date**”), Airbnb agrees to commence collecting and remitting Taxes on behalf of certain Hosts, pursuant to the terms of this Agreement, at the applicable rate, on Taxable Booking Transactions. Except as set forth in

Paragraph (L) below, Airbnb shall not assume any obligation or liability to collect Taxes for any period or for any transaction prior to the Effective Date or after termination of this Agreement.

(C) Except as set forth in Paragraph (E) below, Airbnb agrees to register as a Collector on behalf of Hosts for the sole purpose of reporting, collection and remittance of Taxes under this Agreement, and will be the registered Collector on behalf of any affiliate or subsidiary collecting Taxes. The assumption of such duties described in Paragraph (A) above and this Paragraph (C) shall not trigger any other registration requirements to which Airbnb is not otherwise subject.

REMITTANCE OF TAXES

(D) Airbnb agrees reasonably to report aggregate information on the tax return form prescribed by the Taxing Jurisdiction, including an aggregate of gross receipts, exemptions and adjustments, and taxable receipts of all Taxes that are subject to the provisions of this Agreement. Airbnb shall remit all Taxes collected from Guests in accordance with this Agreement and Airbnb's Terms of Service (www.airbnb.com) (the "TOS") in the time and manner described in the Code or as otherwise agreed to in writing.

REGISTERED HOSTS

(E) Airbnb reserves the right to implement a software feature on the Platform whereby Airbnb collects Taxes based on tax information supplied by the Host, and remits such Taxes to Hosts for ultimate reporting and remittance by the Host to the Taxing Jurisdiction. In such cases, a Host must provide to Airbnb its (i) applicable Tax identification or registration number; (ii) applicable business identification number; and (iii) acknowledgement of its obligation to collect all Taxes owed on a Host's Taxable Booking Transactions and to remit and report any Taxes collected directly to the Taxing Jurisdiction (a "**Registered Host**"). Upon request from the Taxing Jurisdiction, and not more than once per consecutive twelve-month period, Airbnb may provide the Taxing Jurisdiction with copies of documentation related to Registered Hosts.

(E-1) Airbnb satisfies its obligations under this Agreement by remitting the full amount of Taxes collected on behalf of Hosts to the Taxing Jurisdiction, and in the case of Registered Hosts only, by remitting the Taxes collected on a Registered Host's Taxable Booking Transactions directly to the Registered Host.

AIRBNB LIABILITY

(F) Pursuant to the terms of this Agreement, Airbnb agrees contractually to assume liability for any failure to report, collect and/or remit the correct amount of Taxes, including, but

not limited to, penalties and interest, lawfully and properly imposed in compliance with the Code. Nothing contained herein nor any action taken pursuant to this Agreement shall impair, restrict or prevent Airbnb from asserting that any Taxes and/or penalties, interest, fines or other amounts assessed against it were not due or are the subject of a claim for refund under applicable law, or otherwise bar it from enforcing any rights accorded by law. Notwithstanding the above and solely with respect to Registered Hosts, Airbnb does not assume any liability for the failure of a Registered Host to comply with any applicable collection, reporting or remittance obligations related to Taxable Booking Transactions. Further, Airbnb does not assume any liability for collection based on information supplied by the Registered Host.

AUDIT

(G) During any period for which Airbnb is not in breach of its obligations under this Agreement, the Taxing Jurisdiction agrees to audit Airbnb on the basis of Tax returns filed and supporting documentation. The Taxing Jurisdiction reserves the right to audit any individual Host for activity that has been brought to the attention of the Taxing Jurisdiction in the form of a complaint or other means independent of this Agreement or independent of data or information provided pursuant to this Agreement.

(H) The Taxing Jurisdiction agrees to audit Airbnb on an anonymized transaction basis for Taxable Booking Transactions. Except as otherwise agreed herein, Airbnb shall not be required to produce any personally identifiable information relating to any Host or Guest or relating to any Taxable Booking Transaction without binding legal process served only after completion of an audit by the Taxing Jurisdiction of Airbnb with respect to such users. The parties agree to utilize appropriate sampling audit methodologies based on a standard sample period which may be projected against the remainder of any periods open under the applicable statute of limitations, unless Airbnb elects, at its sole discretion, to undergo further audit of such open periods by the Taxing Jurisdiction.

GUEST AND HOST LIABILITY

(I) During any period in which this Agreement is effective, and provided Airbnb is in compliance with its obligations herein, Hosts shall be relieved of any obligation to collect and remit Taxes on Taxable Booking Transactions, and shall be permitted but not required to register individually with the Taxing Jurisdiction to collect, remit and/or report Taxes. Notwithstanding the above, Registered Hosts will be solely responsible for directly remitting Taxes collected on

Taxable Booking Transactions to the Taxing Jurisdiction. Nothing in this Agreement shall relieve Guests or Hosts from any responsibilities with respect to Taxes for transactions completed other than on the Platform, or restrict the Taxing Jurisdiction from investigating or enforcing any provision of applicable law against such users for such transactions.

WAIVER OF LOOK-BACK

(J) The Taxing Jurisdiction expressly releases, acquits, waives and forever discharges Airbnb, its current or past affiliated parent or subsidiary companies, directors, shareholders, investors, employees and other agents from any and all actions, causes of action, indebtedness, suits, damages or claims arising out of or relating to payment of and/or collection of Taxes or other tax indebtedness, including but not limited to penalties, fines, interest or other payments relating to Taxes on any Taxable Booking Transactions prior to the Effective Date. Nothing contained in this Paragraph of this Agreement will constitute a release or waiver of any claim, cause of action or indebtedness that the Taxing Jurisdiction may have or claim to have against any Host or Guest unrelated to Taxable Booking Transactions under this Agreement.

NOTIFICATION TO GUESTS AND HOSTS

(K) Airbnb agrees, for the purposes of facilitating this Agreement, and as required by its TOS, that, except with respect to Registered Hosts, it will notify (i) Hosts that Taxes will be collected and remitted to the Taxing Jurisdiction as of the Effective Date pursuant to the terms of this Agreement; and (ii) Guests and Hosts of the amount of Taxes collected and remitted on each Taxable Booking Transaction.

LIMITATION OF APPLICATION

(L) This Agreement is solely for the purpose of facilitating the administration and collection of the Taxes with respect to Taxable Booking Transactions and, except with respect to the rights and liabilities set forth herein, the execution of or actions taken under this Agreement shall not be considered an admission of law or fact or constitute evidence thereof under the Code or any other provisions of the laws of the United States of America or of any State or subdivision or municipality thereof. Neither Party waives, and each Party expressly preserves, any and all arguments, contentions, claims, causes of action, defenses or assertions relating to the validity or interpretation or applicability of the Code, regulations or application of law.

(L-1) If Airbnb expands the types of transactions that may be completed by Hosts and Guests on the Platform to include additional taxable services or products located in Milpitas,

California, and Airbnb decides in its sole discretion to collect and remit any applicable taxes with respect to such transactions on behalf of Hosts and/or Guests, Airbnb agrees to provide reasonable notice to the Taxing Jurisdiction regarding the collection and remittance of such taxes.

DURATION/TERMINATION

(M) This Agreement may be terminated by Airbnb or the Taxing Jurisdiction for convenience on 30-day written notification to the other Party. Such termination will be effective on the first day of the calendar month following the 30-day written notification to the other Party. Any termination under this Paragraph shall not affect the duty of Airbnb to remit to the Taxing Jurisdiction any Taxes collected from Guests up through and including the effective date of termination of this Agreement, even if not remitted by Airbnb to the Taxing Jurisdiction as of the effective date of termination.

MISCELLANEOUS

(N) CHOICE OF LAW. This Agreement, its construction and any and all disputes arising out of or relating to it, shall be interpreted in accordance with the substantive laws of the State of California without regard to its conflict of law principles.

(O) MODIFICATION. No modification, amendment, or waiver of any provision of this Agreement shall be effective unless in writing and signed by both Parties.

(P) MERGER AND INTEGRATION. This Agreement contains the entire agreement of the Parties with respect to the subject matter of this Agreement, and supersedes all prior negotiations, agreements and understandings with respect thereto.

(Q) COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same instrument. The Agreement shall become effective when a counterpart has been signed by each Party and delivered to the other Party, in its original form or by electronic mail, facsimile or other electronic means. The Parties hereby consent to the use of electronic signatures in connection with the execution of this Agreement, and further agree that electronic signatures to this Agreement shall be legally binding with the same force and effect as manually executed signatures.

(R) RELATIONSHIP OF THE PARTIES. The Parties are entering into an arm's-length transaction and do not have any relationship, employment or otherwise. This Agreement does

not create nor is it intended to create a partnership, franchise, joint venture, agency, or employment relationship between the Parties. There are no third-party beneficiaries to this Agreement.

(S) **WAIVER AND CUMULATIVE REMEDIES.** No failure or delay by either Party in exercising any right under this Agreement shall constitute a waiver of that right or any other right. Other than as expressly stated herein, the remedies provided herein are in addition to, and not exclusive of, any other remedies of a Party at law or in equity.

(T) **FORCE MAJEURE.** Neither Party shall be liable for any failure or delay in performance under this Agreement for causes beyond that Party's reasonable control and occurring without that Party's fault or negligence, including, but not limited to, acts of God, acts of government, flood, fire, civil unrest, acts of terror, strikes or other labor problems (other than those involving Airbnb employees), computer attacks or malicious acts, such as attacks on or through the Internet, any Internet service provider, telecommunications or hosting facility. Dates by which performance obligations are scheduled to be met will be extended for a period of time equal to the time lost due to any delay so caused.

(U) **ASSIGNMENT.** Neither Party may assign any of its rights or obligations hereunder, whether by operation of law or otherwise, without the prior written consent of the other Party (which consent shall not be unreasonably withheld). Notwithstanding the foregoing, Airbnb may assign this Agreement in its entirety without consent of the other Party in connection with a merger, acquisition, corporate reorganization, or sale of all or substantially all of its assets.

(V) **MISCELLANEOUS.** If any provision of this Agreement is held by a court of competent jurisdiction to be contrary to law, the provision shall be modified by the court and interpreted so as best to accomplish the objectives of the original provision to the fullest extent permitted by law, and the remaining provisions of this Agreement shall remain in effect.

NOTICES

(W) All notices under this Agreement shall be in writing and shall be deemed to have been given upon: (i) personal delivery; (ii) the third business day after first class mailing postage prepaid; or (iii) the second business day after sending by overnight mail or by facsimile with telephonic confirmation of receipt. Notices shall be addressed to the attention of the following persons, provided each Party may modify the authorized recipients by providing written notice to the other Party:

To Airbnb:

Airbnb, Inc.
Attn: General Counsel
888 Brannan Street, 4th Fl.
SF, CA 94103
legal@airbnb.com

Airbnb, Inc.
Attn: Global Head of Tax
888 Brannan Street, 4th Fl.
SF, CA 94103
tax@airbnb.com

To the Taxing Jurisdiction:

Fax: _____

E-mail: _____

(Signatures follow on next page)

IN WITNESS WHEREOF, Airbnb and the Taxing Jurisdiction have executed this Agreement effective on the date set forth in the introductory clause.

AIRBNB, INC., a Delaware corporation

By: _____
Signature of Authorized Representative

Name and Title of Authorized Representative

CITY OF MILPITAS DEPARTMENT OF FINANCIAL SERVICES

By: _____
Signature

Name and Title



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Receive Report and Provide Direction on Residential Short-Term Rental Regulation Options
Category:	Community Development
Meeting Date:	2/26/2019
Staff Contact:	Daniel Degu, 408-586-3054
Recommendation:	Discuss and provide direction regarding potential regulation for residential short-term rentals.

BACKGROUND:

Short-term rentals (STRs) allow partial to entire-home rental to lodgers seeking short-term accommodations, often through online rental marketplaces, for a period of 30 or fewer days. Several online marketplaces like Airbnb (Air-bed and breakfast), HomeAway, and VRBO (Vacation Rentals by Owner), have enjoyed a rapid rise to relevancy as a global branded peer-to-peer home-sharing industry. STR use is growing, causing local municipalities to address transitory lodging in residential neighborhoods more than ever before. Many Bay Area local municipalities in Santa Clara County (as outlined below), have faced, and are beginning to address the regulation of short-term rentals.

STRs bring numerous benefits to those who operate them, and their guests. At the same time, the intensive use of STRs in residential zoning districts has the potential to change the character of a residential neighborhood if left unregulated. The Milpitas Municipal Code currently defines STRs as hotels generally and does not allow them in any residential zoning district.

ANALYSIS:

The City Council has the authority to regulate or prohibit STRs within City limits. STRs typically provide guests with social benefits and a local experience differing from a traditional hotel or motel. STRs can also provide ancillary income to residential property owners, help expand the City's tourism and transient occupancy opportunities during peak hotel or motel occupancy times, such as major sporting events, and help stimulate commercial activity throughout the city.

As highlighted in the Background section above, the City's municipal code currently defines STRs as hotels. Broadly defined in terms of individual sleeping or living units for paying temporary guests, this definition for hotels covers inn, tourist home or house, motel, studio hotel, bachelor hotel, lodging house, rooming house, dormitory, public or private club, and mobilehomes. Furthermore, STRs are currently prohibited from operating in all five of the City's residential zoning districts, but may operate, via conditional use or by-right, in all three mixed-use zoning districts, and are conditionally allowed in three out of the five commercial zoning districts and in all three industrial zoning districts.

The City's current code also requires STRs to obtain a business license and regulates STRs by requiring the operators to collect and remit transient occupancy tax (TOT). To proactively enforce the current code requirements for STRs or to move forward with a new regulatory program could require additional staff effort, primarily because STR services do not provide basic information like an operator's full name, exact address, or occupancy rates for their listings.

Regulations for STRs can be tailored to fit the unique needs of the community. Thus far, there is no standard practice amongst municipalities, although the variables are relatively consistent. Municipalities in Santa Clara County have followed suit by taking different stances on the regulation of STRs. The cities of Cupertino, Los Altos Hills, Los Gatos, Mountain View, San Jose, and Sunnyvale are either actively regulating STRs or considering the regulation of STRs, while the cities of Campbell, Gilroy, Monte Sereno, Morgan Hill, Palo Alto, Santa Clara, and Saratoga have no regulation in place for STRs or prohibit the use of STRs entirely. **Exhibit A** (attached) provides a comprehensive overview of how municipalities in Santa Clara County have responded to STRs. Staff has identified the following 8 regulations that have been consistently addressed by those local municipalities that regulate STRs.

These and others may be considered by the City Council for implementation:

1) Impose TOT registration and compliance on STRs.

Staff Comment: Already a code requirement, but not actively enforcing for STRs. The City could contract with a third-party vendor to monitor STR listings, operate a hotline for residential complaints, and provide initial compliance communications with STR operators.

2) Require an STR business license and annual license fee.

Staff Comment: Already a code requirement. Calculated to cover all the City's costs of administering an STR program.

3) Require an STR special-use permit.

Staff Comment: Would require a zoning amendment. Permit would provide the City with basic information like an operator's full name, exact address, or occupancy rates for their listings needed to identify and cite violators.

4) Require a local contact person.

Staff Comment: The local contact person shall be available during the term of any stay for the purpose of responding to complaints or emergencies.

5) Limit the number of days allowed per year.

Staff Comment: Municipalities in Santa Clara County have taken varied stances (e.g., unlimited, 60, 90, or 180 days per year). Un-hosted rental days per year are typically significantly less than the number allowed for hosted rentals.

6) Limit the number of guests at one time.

Staff Comment: The number of guests could be calculated based on two adults per room plus one additional person per STR unit.

7) Limit the number of STRs.

Staff Comment: Some cities only allow one unit per parcel to be used as an STR. For example, if a home has an accessory dwelling unit (ADU), only the primary dwelling or the ADU could be allowed for STR but not both.

8) Address on-site and off-site parking requirements.

Staff Comment: Some municipalities require that parking related to STR use be contained on-site or limit the number of vehicles.

STRs have grown over 800 percent since 2011, according to Host Compliance, and totaled an unprecedented eight million rental listings worldwide in 2017. According to Host Compliance, there were approximately 341 STRs available within our City limits as of November 2018. Of the 341 STRs available within Milpitas, roughly 235 STRs (69 percent) are single-family, 85 STRs (25 percent) are multi family, and 21 STRs (6 percent) are unknown property types. Furthermore, of the 341 STRs available about 197 STRs (58 percent) are considered a partial home rental while 126 STRs (37 percent) are listed as an entire home.

Moreover, of the 341 STRs available within Milpitas, roughly 220 STRs (64.5 percent) are listed with Airbnb as of July 2018, according to Airbnb officials. With the majority of STR operators in Milpitas utilizing Airbnb, City staff engaged Airbnb regarding entering into a voluntary tax collection agreement with the City that would result in Airbnb collecting TOT on behalf of its users and remitting the revenue directly to the City. Over 45 California municipalities have executed a tax collection agreement with Airbnb, including the cities of Cupertino, Morgan Hill, Palo Alto, San Jose, Santa Clara, and Sunnyvale.

With City Council direction, staff will begin exploring a voluntary tax collection agreement with Airbnb for the collection and remittance of the City's TOT. Staff estimates that the City could generate an additional \$237,000 in TOT revenue annually by executing a voluntary tax collection agreement with Airbnb. This estimate is based on activity from July 2018 showing 220 active rentals in Milpitas and annual host earnings totaling \$7,700. The funds from the tax would be deposited into the City's TOT account in the General Fund.

City staff has conducted community engagement through social media such as Nextdoor, Facebook, and the city website. Two community meetings on STRs, in conjunction with ADUs, were held on December 13, 2018 and January 17, 2019. Attendees received an oral presentation from Economic Development and Planning staff and answered questions. Community members at these meetings were in support of STRs with comments including that supplemental income from STRs are good for both the residential property owner and City, and questions were asked about business license requirements and safety requirements such as smoke detectors and fire extinguishers. A community survey on STRs was launched on December 28, 2018, and was disseminated through the City's website, social media, flyers and the City's local access government channel. **Exhibit B** (attached) provides a summary of the survey results.

The City Council may choose between one of several options.

1. The City may allow STRs, but limit their use. STRs are currently a prohibited use in every residential zone, but the City may amend the zoning code to make STRs an allowed or conditionally allowed use, in which case the City's current business-license and transient-occupancy tax regulations would continue to apply. Every STR operator would have to obtain a business license and collect and remit TOT unless the City were to amend its code to remove those requirements. Also, if the City were to make STRs an allowed use, it may choose to impose new transitory-lodging-specific licensing and permitting requirements, good-neighbor rules, and use restrictions and provide additional enforcement tools. Amending the zoning code requires recommendation by the Planning Commission and approval by the City Council. Staff anticipates that the Planning Commission will forward its recommendation to the City Council in April 2019 and the City Council will consider ordinance adoption in May 2019.
 - a. If City Council chooses option 1, consider directing the City Manager to explore a Voluntary Collection Agreement with Airbnb for collection of the City's transient-occupancy tax on behalf of Airbnb hosts who rent their residences to others using the Airbnb lodging platform.
2. Alternatively, the City may prohibit all transitory lodgings.
3. The last option is to exempt STRs from all local regulation except the City's existing business license and TOT requirements.

POLICY ALTERNATIVES:

This item is presented for City Council information, discussion, and direction to staff regarding potential regulation for short-term rentals. No policy action is recommended at this time.

FISCAL IMPACT:

No funding is requested at this time. City staff could propose additional allocation of resources based on City Council preference for a specific short-term rental regulatory program. To the extent that the City is successful in achieving a Voluntary Collection Agreement with Airbnb for the collection of the City's Transient Occupancy Tax on short-term rentals, subject to City Council approval, general fund revenues could increase by approximately \$237,000 per year.

California Environmental Quality Act:

The proposed action — to hold a study session and direct staff to recommend new STR regulations if desired — does not itself constitute a "project" under CEQA because it would not itself affect the environment in any way. Therefore CEQA does not apply. Even if the proposed project were a project under CEQA, the proposed action would be statutorily exempt under 14 Cal. Code Regs. §15262 (exempting feasibility and planning studies). Any amendments that staff might recommend as a result of a study would be subject to a separate CEQA analysis when the amendments go before the appropriate legislative bodies (Commission and Council).

Attachments:

1. Short-Term Rental Comparison Chart
2. Short-Term Rental Survey Results

MEETING MINUTES CITY OF MILPITAS

Minutes of: Special Meeting of Milpitas City Council
Date: Tuesday, February 26, 2019
Time: 6:00 PM
Location: Council Chambers, Milpitas City Hall,
455 East Calaveras Blvd., Milpitas

CALL TO ORDER

Mayor Tran called the meeting to order at 6:01 PM. City Clerk Mary Lavelle called the roll.

PRESENT: Mayor Tran, Vice Mayor Dominguez, Councilmembers Montano and Nuñez

ABSENT: Councilmember Phan was absent at roll call, and arrived at 6:05 PM.

Deputy City Attorney Heather Lee from BB&K law firm was serving as City Attorney at this meeting, in place of City Attorney Chris Diaz.

APPROVAL OF AGENDA

Motion: to approve the meeting agenda, as submitted

Motion/Second: Vice Mayor Dominguez/Councilmember Nuñez

Motion carried by a vote of: AYES: 4
NOES: 0
ABSENT: 1 (Phan)

PUBLIC FORUM

None.

1. Residential Short Term Rental Regulations

Economic Development Coordinator Daniel Degu addressed the Council on community engagement efforts regarding the issue of short term residential rentals. Staff provided a recommendation to the Council on regulation of such rentals via adoption of an ordinance. 341 short term rentals were found online, when researched by staff, which were primarily rooms in single family homes. Eight types of regulations could be considered, and the City already had two of those while they were not enforced. Further limitations were possible. Mr. Degu listed eight questions for the Council's consideration.

Mayor Tran was supportive of the agenda item and having short term rentals in the city.

Councilmember Nuñez asked for some clarifications. He thanked staff for thorough information provided. He saw opportunity for dollars to come in to the city from this regulation.

Vice Mayor Dominguez asked about costs for the use of a third party vendor. Mr. Degu replied he could look into that and get back to Council.

Councilmember Phan asked – regarding long term rentals – was there any revenue to the City? Staff replied no, if the rental was longer than 30 days (no Transient Occupancy Tax). Mr. Phan asked if there could be incentives to encourage owners of rental units to rent long term since there was a housing shortage in the area. He supported regulation of Air B'n'B type rentals, while he was concerned about the greater needs for housing in the City.

City Manager Edmonds-Mares commented on the need for fairness and equity with businesses that paid for a business license and collection of Transient Occupancy Tax. Council could maybe consider limiting the number of days per year for rentals, to help the neighborhoods.

Councilmember Montano noted the newly adopted Transient Occupancy Tax (TOT) rate at 14%, with competition for hotels and more automobiles in the neighborhoods. Economic benefits were to be gained, considering short term rentals as potentially helpful but with some drawbacks.

Vice Mayor Dominguez asked who controlled the possible 60 days versus 30 days stay at a unit, and how would it be known to collect TOT or not. She mentioned converted garages being rented out as Air B'n'B units with no permit, and wanted to know about parking constraints at these short term rentals, too.

Councilmember Montano asked if regulations were passed, would money be put into a special fund and the City Manager replied: into the General Fund. Ms. Montano suggested that money could be put into a special fund to be used for affordable housing.

Councilmember Phan asked if there could be a Housing Impact Fee for hotels and rooms rented, so as not to dilute available housing. That could be explored, such as in Redwood City.

Councilmember Nuñez asked what direction staff sought. Mr. Degu displayed a slide with three policy options for Council's consideration regarding regulation: to amend the zoning code to allow short term rentals (direct City Manager to explore voluntary collection agreement with Air B'n'B), to amend zoning code to prohibit all transitory lodgings, or to exempt short term rentals from all local regulation except business license and hotel tax. Mr. Nuñez supported Option 1 as did the Mayor.

Motion: to direct staff to return to City Council with recommendation to adopt an ordinance that would permit short term residential rentals under local regulations

Motion/Second: Councilmember Montano/Councilmember Phan

Motion carried by a vote of: AYES: 5
NOES: 0

At this time, Deputy City Attorney Heather Lee asked the Mayor and Councilmembers for disclosure on any conflicts of interest or campaign contributions from any entity on the agenda and none were reported.

4. FY 2018-19 Mid Year Budget review & Resolution

Assistant City Manager Ashwini Katak presented Recommended Ongoing funding requests at the MidYear for the Fiscal Year 2018-19's budget. She displayed staffing requests in four City departments: Human Resources, Fire, Police, and Recreation. Ms. Katak listed the mid-year phase II summary of approximately \$1,000,000 in spending requests. Action on requested classification changes were sought at this meeting by Council Resolution.

Staff discussed FY 2018-19 General Fund Reserves which were healthy, along with a revised 5-year projection (which would come back to City Council soon). Urgent needs were requested for funding at this meeting, with non-urgent requests to be included in the future FY 2019-20 budget proposal.

Budget Manager Feliser Lee reviewed key upcoming dates for budget planning and development of the FY 2019-20 budget, with four recommendations.

Mayor Tran commented and was especially supportive of needs in Human Resources with regard to recruiting employees.

Regarding a request for Community Services Officers (CSO) in the Police Department, Councilmember Phan asked if it was a pilot program, and Police Chief Corpuz said no. It was a request of staff to support officers and the community, as the need was growing around the new BART station. The Chief explained further use of the CSOs, if approved and hired.

Item Attachment Documents:

3. Receive Presentation from Staff and Discuss Preparation for a General Plan Update Study Session on May 21, 2019 (Staff Contact: Ned Thomas, 408-586-3273)

Ned Thomas, Planning Director, 408-586-3273

Recommendation:

Receive Presentation from Staff and Discuss Preparation for a General Plan Update Study Session on May 21, 2019



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Receive Presentation from Staff and Discuss Preparation for a General Plan Update Study Session on May 21, 2019 (Staff Contact: Ned Thomas, 408-586-3273)
Category:	Community Development
Meeting Date:	4/30/2019
Staff Contact:	Ned Thomas, Planning Director, 408-586-3273
Recommendation:	Receive Presentation from Staff and Discuss Preparation for a General Plan Update Study Session on May 21, 2019

Background:

In 2016, the City embarked on a multi-year process to update the Milpitas General Plan, originally adopted in December 1994 and last amended in November 2010. The General Plan provides policy guidance on land use, housing, transportation, infrastructure, community design, conservation, and other development-related topics. State law requires every city and county in California to prepare and maintain a General Plan policy document.

An initial milestone in the General Plan Update process was the publication of the *Existing Conditions Report* in June 2018. This report established a baseline of existing conditions in the General Plan planning area and identified development patterns, natural resources, socioeconomic conditions, and environmental constraints as well as the regulatory constraints for each topic. The report was intended as a technical resource for the City Council, Planning Commission, GPAC, community members, staff, and the consultant team, and may be considered a snapshot of Milpitas' unique circumstances at a particular point in time. The *Existing Conditions Report* is available on the project website: www.milpitas.generalplan.org.

A second key milestone in the General Plan Update process was the publication of the *Land Use Alternatives Report* in September 2018. This report presents possible modifications to land use and development intensity in a manner that will support the community's vision for increased economic development, a range of housing options, preservation of established residential neighborhoods, and quality job growth. The report identifies potential changes to the General Plan land use map based on public input gathered during a series of community visioning workshops held in late 2016, input from the GPAC, direction received from the City Council during a Study Session held in March 2018, and consideration by staff and the consultant. The *Land Use Alternatives Report* is also available on the project website: www.milpitas.generalplan.org.

The next key milestone will occur on May 21, 2019, when staff and the consultant team meet with the Council in a special Study Session to review and discuss the *GPAC Recommendations Memo and Land Use Alternatives Report*. This *Report* identifies 14 Opportunity Areas across the city and provides detailed analysis of the land use, circulation, fiscal sustainability, and economic development characteristics associated with the buildout of each Opportunity Area according to the existing and proposed land use designations.

Based on direction from the Council, staff and the consultant team will prepare a Preferred Land Use Map and hold a follow-up meeting with the Council to confirm the map. The consultant team will then work with staff and the GPAC to prepare a draft General Plan policy document and begin the technical analysis needed for the requisite Environmental Impact Report (EIR). An Administrative Draft of the updated General Plan could then be ready for review by the City in December 2019.

The purpose of the April 30 Special Session is to provide the Council with a status update on the General Plan Update process and prepare the Council to review the Land Use Alternatives Report and GPAC and staff recommendations. Planning Director Ned Thomas and Planning Consultant Barbara Nelson will facilitate a discussion about the important policymaking role of the Council in the General Plan process and receive direction from the Council on the proposed format and content of the May 21 meeting. The goal is to ensure that the consultants develop recommendations on the Preferred Land Use Map that accurately reflect Council guidance.

The April 30 Special Session will include a discussion around the following topics:

Discussion about Planning, Land Use Policy and General Plan

- Long-range Planning (Policymaking) vs. Current Planning (Development Entitlements).
- The General Plan as a practical tool to help Council and staff to focus on primary goals and priorities.
- Streamlining benefits of a comprehensive and well written General Plan so as to save time and money for the City.
- Applying the General Plan as a roadmap to help guide decisions regarding the annual budget and CIP projects.
- Using the General Plan to demonstrate to business and residents that the Council is serious about planning for the future and maintaining quality of life in the community.

General Plan Update – Process, Roles, and Timeline

- General Plan Update as an opportunity to shape growth and development in the community for decades.
- Reflect City Council Priorities.
- Review the distinct roles for Council, GPAC, Planning Commission, Staff, Community (residents, businesses, developers) in the General Plan Update process.
- Staff will provide a brief overview of the General Plan Update process and timeline.
- Staff and the consultant will receive input from the Council on their role in the General Plan Update process and ideas for additional community engagement.

Recommendation:

Receive Presentation from Staff and Discuss Preparation for a General Plan Update Study Session on May 21, 2019.