

Report on Cost of Services (User Fee) Study

CITY OF CUPERTINO, CALIFORNIA

FINAL REPORT

January 2024

matrix 
consulting group

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1. Introduction and Executive Summary

The report, which follows, presents the results of the Cost of Services (User Fee) Study conducted by the Matrix Consulting Group for the City of Cupertino, California.

Project Background and Overview

The City of Cupertino last conducted a comprehensive fee analysis in 2016 and has since updated fees based upon annual inflationary factors (Bay Area Consumer Price Index (CPI), Bay Area Construction Cost Index (CCI), or budgeted labor costs). The purpose of this study was to re-evaluate time and cost assumptions from the 2016 analysis and determine the full cost (direct and indirect) of providing City services based upon the current organizational structure and processes. The project team analyzed the cost-of-service relationships that exist between fees for service activities in the following areas: City Clerk, Finance, Building, Code Enforcement, Public Works, Planning, Parks and Recreation, and Emergency Services (OES). The results of this Study provide an updated understanding of current service levels and the max justifiable cost for those services.

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 types of costs included in establishing the “full” cost of services provided by the City:

Table 1: Overview of Cost Components

Cost Component	Description
Direct	Fiscal Year 2024 Budgeted salaries, benefits, and allowable expenditures.
Indirect	Division, departmental, and Citywide support.

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 fees for service involved the following steps:

- **Department / Division Staff Interviews:** The project team interviewed department / division staff regarding their needs for clarification to the structure of existing fee items, or for addition of new fee items.
- **Data Collection:** Data was collected for each permit / service, including time estimates. In addition, all budgeted costs and staffing levels for Fiscal Year 2024 were entered into the Matrix Consulting Group’s analytical software model.
- **Cost Analysis:** The full cost of providing each service included in the analysis was established.
- **Review and Approval of Results with City Staff:** Department and City management has reviewed and approved 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.

Summary of Results

When comparing FY24 fee-related budgeted expenditures with fee-related revenue the City is under-recovering its costs by approximately \$767,000 or recovering 88% of its costs. The following table shows by major service area: the revenue collected, the total annual cost, the resulting difference, and the resulting cost recovery percentage.

Table 2: Annual Cost Recovery Analysis

Service Area	Current Revenue	Total Cost	Difference	Cost Recovery %
Planning	\$716,696	\$886,158	(\$169,462)	81%
Public Works	\$1,122,328	\$1,182,734	(\$60,407)	95%
Building	\$3,800,581	\$4,337,761	(\$537,180)	88%
Total	\$5,639,605	\$6,406,653	(\$767,048)	88%

Building at roughly \$537,000 is the primary contributor to the overall deficit. The proposed modifications to their current fee schedules (expanding various flat fees, reorganizing the MEP section, etc.), as well as adding the Planning Review and Inspection fee will help to address the observed cost recovery gap.

The detailed documentation of this study will show an over-collection for some fees (on a per unit basis), and an undercharge for most others. The results of this analysis provide each Department and the City with guidance on how to right-size their fees to ensure that each service unit is set at an amount that does not exceed the full cost of providing that service. 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, with input from City staff and the community.

Considerations for Cost Recovery Policy and Updates

The Matrix Consulting Group recommends that the City use the information contained in this report to make any necessary updates to their formal Cost Recovery policies and continue with their annual updates to fees for service.

1 Adopt a Formal Cost Recovery Policy

The Government Finance Officers Association’s (GFOA) best practices for *Establishing Government Charges and fees* states that governmental entities should adopt formal policies regarding charges and fees which include the jurisdiction’s intention to recover the full cost or partial costs of providing services, sets forth circumstances under which the jurisdiction might set a charge or fee at less than or more than 100% of full cost, and outlines the considerations that might influence the jurisdiction’s pricing decision.

Matrix Consulting Group strongly recommends that the City adopt a formalized, individual cost recovery policy for each service area included in this Study. 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 may then potentially be recovered through other revenue sources. Matrix Consulting Group considers a formalized cost recovery policy for various fees for service an industry Best Management Practice.

2 Continue Annual Fee Update / Increase Mechanism

The purpose of a comprehensive update is to completely revisit the analytical structure, service level estimates and assumptions, and to account for any major shifts in cost components or organizational structures that have occurred since the District’s previous analysis.

GFOA best practices for *Establishing Government Charges and Fees* states that governmental entities should review, and update charges and fees periodically based on factors such as the impact of inflation, other cost increases, adequacy of cost recovery, use of services, and the competitiveness of current rates to avoid large infrequent fee increases. Therefore, it is recommended the City continue the practice of conducting comprehensive analyses every three to five years as this practice captures any changes to organizational structure, processes, code amendments, as well as any new service areas.

In between comprehensive updates, the City should continue to utilize published industry economic factors such as Consumer Price Index (CPI) or other regional factors to update the cost calculations established in the Study on an annual basis. Utilizing an annual increase mechanism ensures that the City receives appropriate fee increases that reflect growth in costs.

2. Legal Framework and Policy Considerations

This section of the report is intended to provide an overview regarding overall legal rules and regulations as well as general policy considerations for fees for service. A “user fee” is a charge for service provided by a governmental agency to a public citizen 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”.

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
<ul style="list-style-type: none"> • Police • Park Maintenance • Fire Suppression 	<ul style="list-style-type: none"> • Parks and Recreation • Fire Prevention 	<ul style="list-style-type: none"> • Building Permits • Planning and Zoning Approval • Site Plan Review • Engineering Development Review • 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 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 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 cost of providing a particular service.

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 or the Council may not advocate the full cost recovery of 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. An example includes time spent copying and retrieving public documents and / or transportation permits.
- **Encouragement of desired behaviors.** Keeping fees for certain services below full cost recovery may provide better compliance from the community. For example, if the cost of a permit for charging a water heater in residential home is higher than the cost of the water heater itself, many citizens will avoid pulling the permit.

- **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 Planning Design Review, historical dedications, and certain types of special events.

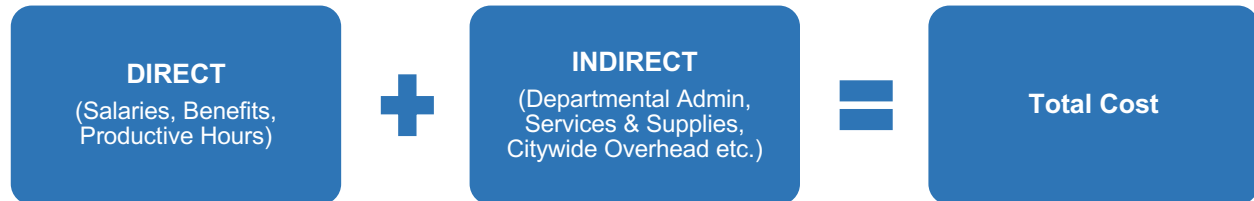
The Matrix Consulting Group recognizes the need for policies that intentionally subsidize certain activities. The primary goals of a User Fee Study are to provide a fair and equitable basis for determining the costs of providing services and ensure that the City complies with State law.

Summary of Legal Restrictions and Policy Considerations

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. The City will need to review all fees for service in this analysis and where subsidies are identified increase them to reduce the deficit, and where over-recoveries are identified the fee must be reduced to be in compliance with the law.

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 the average time spent to delivery each service included in the study.
- Distribute the appropriate amount of the 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 determination of the actual cost of providing each service.

One of the key study assumptions utilized in the “bottom up” approach is the use of time estimate averages 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. Extremely difficult or abnormally simple projects are not factored in the 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 department / division, and often involve multiple iterations before a Study is finalized.
- 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.
- Estimates match the current or proposed staffing levels to ensure there is no over-allocation of staff resources to fee and non-fee related activities.

The Matrix Consulting Group agrees that while the use of time estimates is not perfect, it is the best alternative available for setting a standard level of service for which to base a jurisdiction’s fees for service and meets 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.
- 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 itemized within the current fee schedule.

4. Results Overview

The motivation behind a cost of services (User Fee) analysis is for the City and Departmental staff to maintain services at a level that is both accepted 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 financial and operational information is utilized. 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 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:** discussions regarding any proposed 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.

The full analytical results were provided to City staff under separate cover from this summary report.

5. General Fees

The General Fee category encompasses fees for services which are applied Citywide, such as, photocopies, notary, business licenses, taxicab permits, block parties, etc. While these services can be applied Citywide, the department / division's which are responsible for processing and administering these fees are as follows: City Clerk, Finance, Code Enforcement, and Emergency Service (OES). The following subsections discuss fee schedule modifications and detail per unit results for each major service area.

Fee Schedule Modifications

In discussions with staff, the following modifications were proposed to the current fee schedule:

- **Eliminated Fees:** The fee for 'Microfilm / Microfiche Printout' was eliminated as this service is no longer offered by the City due to all records being digitized.
- **New Fees:** The following three fees were added as a means to allow staff to accurately charge for their time providing services to the community:
 - 'Code Enforcement Cost Recovery – Hourly Rate'
 - 'Code Enforcement Cost Recovery – Substandard Housing Re-Inspection'
 - 'Permit Update'
 - 'Credit Card Surcharge'
- **Consolidated Fee:** The following fees were consolidated into single fees as a means to streamline the fee schedule
 - 'Abatement Fee' and 'Graffiti Cleanup' were consolidated as both services are abatement related and are charged based on actual costs incurred.
 - 'Commercial Kennel Permit', 'Private Kennel Permit', 'Pet Shop', 'Grooming Business' and 'Horse Establishment' were consolidated under a single 'Animal Establishment Permit' fee.
- **Formatting Modification:** To make it easier for applicants to understand the department / division which is responsible for administering the fee being charged the project team recommends that the City organize their General Fee section by major service area (i.e., City Clerk, Finance, Code Enforcement, etc.).

These modifications ensure that the proposed fee schedule more accurately reflects the services currently being provided while also improving the overall flow of the City's general fee schedule section.

Detailed Results – City Clerk

The City Clerk Department is responsible for supporting the City Council and City Manager’s Office by recording meeting minutes and preparing agenda packets. Additionally, this Department keeps all City record and maintains city archives. The fees examined within this study relate to these responsibilities and encompass lobbyist registration, candidate statement fees, public requests, maps print outs, notary, photocopies, fair political practices, and video / audio services.

The total cost calculated for each service includes direct staff costs and Departmental and Citywide overhead. The following table details the fee name, current fee, total cost, and difference associated with each service offered.

Table 4: Total Cost Per Unit Results – City Clerk

Fee Name	Current Fee	Total Cost	Difference
Annual Lobbyist Registration Fee	\$188	\$290	(\$102)
Candidate Statement Fee (County Regulated Fee)	Current County Registrar Cost		
Public Requests for GIS Printed Maps			
Standard pre-formatted maps:			
Plotted maps	\$24	\$36	(\$12)
Printed maps	\$3	\$5	(\$2)
Custom request maps	Actual Cost		
Prints/plots of aerial photography (see Engineering fees)	Actual Cost		
Municipal Code Book	Vendor Invoice		
Notary Fee (State Regulated Fee) ¹	\$15	\$15	\$0
Petitions for Reconsideration	\$351	\$367	(\$16)
Photocopies			
Standard sizes	\$13	\$0.29	\$12.64
For 11 x 17 sizes or color sheets	\$0.64	\$0.67	(\$0.03)
For Large format prints	\$32	\$33.57	(\$1.69)
Fair Political Practices Commission ²	\$0.11	\$0.10	\$0.01
Fair Political Practices Commission (older than five (5) years) ²	\$5.50	\$5.00	\$0.50
Video/Audio Service			
DVD/CD	\$26	\$25	\$1
Flash Drive	\$16	\$27	(\$11)

Excluding state set fees, the City Clerk only shows an over-recovery for one fee: ‘Photocopies – Standard Size’. This over-recovery is minimal at roughly \$13 and is due to the reduction in material costs associated with DVD / CDs. The largest under-recovery at \$102 is in relation to ‘Annual Lobbyist Registration Fee.’

¹ GOV § 8223 (b)

² CA Govt Code § 81008(a)

Detailed Results - Finance

Finance is responsible for fiscal management citywide, including disbursement of funds and payroll, audits, budget and fiscal reporting development, and vendor oversight. The fees examined within this study relate to business licenses duplicates and databases, false alarms, and monthly reports.

The total cost calculated for each service includes direct staff costs and Departmental and Citywide overhead. The following table details the fee name, current fee, total cost, and difference associated with each service offered.

Table 5: Total Cost Per Unit Results – Finance

Fee Name	Current Fee	Total Cost	Difference
Business License Database	\$24	\$30	(\$5)
Duplicate Business Licenses	\$13	\$15	(\$2)
False Alarms	\$98	\$119	(\$21)
New Business Monthly Reports	\$45	\$45	\$0

Finance under-recovers for all fees reviewed ranging from a low of \$2 for ‘Duplicate Business Licenses’ to a high of \$21 for ‘False Alarms’.

Detailed Results – Code Enforcement

Code Enforcement is responsible for ensuring enforcement of and compliance with federal, state, and municipal laws and codes. The fees examined within this study relate to dangerous dog registration, solicitor permits, massage therapist establishment permits, taxicab driver permits, and various others.

The total cost calculated for each service includes direct staff costs and Departmental and Citywide overhead. The following table details the fee name, current fee, total cost, and difference associated with each service offered.

Table 6: Total Cost Per Unit Results – Code Enforcement

Fee Name	Current Fee	Total Cost	Difference
Animal Establishment Permit	\$318	\$361	(\$43)
Bingo Permit	\$191	\$255	(\$64)
Code Enforcement Cost Recovery			
Abatement / Graffiti Cleanup		Actual Cost	
Hourly Rate	New	\$240	N/A
Substandard Housing Re-Inspection	New	\$240	N/A

Fee Name	Current Fee	Total Cost	Difference
Dangerous Dogs			
Registration	\$256	\$481	(\$225)
Sign	\$88	\$25	\$63
Fingerprinting	\$67	\$71	(\$5)
Handbill Permit			
Initial	\$151	\$240	(\$90)
Renewal	\$75	\$120	(\$45)
Sign Removal (Public Right-of-Way) (All except Political Signs)	\$6	\$180	(\$174)
Sign Recovery Fee for Political Signs	\$4	\$180	(\$177)
Permit Update	New	\$120	N/A
Property Lien	\$54	\$240	(\$186)
Solicitor Fee			
Initial	\$301	\$481	(\$179)
Renewal	\$76	\$120	(\$45)
Massage Therapist Fees			
Massage Establishment Permit Fee	\$339	\$541	(\$202)
Massage Establishment - Renewal	\$113	\$180	(\$67)
Massage Managing Employee Permit Fee	\$301	\$481	(\$179)
Massage Managing Employee - Renewals	\$113	\$180	(\$67)
Massage Permit - Appeal	\$794	\$1,202	(\$408)
Taxicab Fees			
Driver Permit Fee (Valid for 2 years)	\$394	\$961	(\$568)
Driver Permit Fee (Valid for 2 years) - Renewal	\$76	\$120	(\$45)

Except for 'Dangerous Dongs – Sign' which over-recovers by \$63, Code Enforcement under-recovers for all their fees. The largest under-recovery is in relation to 'Taxicab Fees – Driver Permit Fee (Valid for 2 Years)' at \$568; followed by 'Massage Therapist Fees – Massage Permit – Appeal' and 'Dangerous Dogs – Registration' at \$408 and \$225, respectively.

Detailed Results – Emergency Service (OES)

Emergency Services (OES) is responsible for coordinating the City's disaster response and recovery efforts, as such, OES works within the community to educate on proper disaster preparedness and prevention. The fees examined within this study relate to block party presentations and special event medical standby. OES currently does not charges fees for these services.

The following table provides the Division with an overview of what the total cost for providing these services are. The total cost calculated for each service includes direct staff costs and Departmental and Citywide overhead. The following table details the fee name and total cost associated with each service offered.

Table 7: Total Cost Per Unit Results – OES

Fee Name	Total Cost
Block Party Presentation	\$418
First Aid / Medical Stand-by at Special Events	\$215

The \$418 associated with ‘Block Party Presentation’ relates to serving as the liaison between the community and the requested department providing the presentation, along with assisting in preparation for the presentation by compiling data and visualizations. Likewise, the \$215 associated with ‘First Aid / Medical Stand-by at Special Events’ relates to processing the permit, along with coordinating volunteers to be on-site during the event.

Credit Card Surcharge

Many jurisdictions charge applicants a credit card transaction fee for any payments made using a credit card. This surcharge is generally a percentage of the overall fee charged to the city by a bank for processing credit card transactions and acts as a mechanism for recovering costs associated with fees incurred. Currently, the City of Cupertino does not assess a credit card transaction surcharge. Through this study, the project team worked with City staff to determine the appropriate surcharge amount.

In order to calculate the surcharge, the project team divided the total bank fees charged to the City for a year by the same revenue upon which the credit card surcharge was applied. The following table shows this calculation:

Table 8: Credit Card Transaction Fee Calculation

Category	Amount
Total Bank Fees	\$432,668
Total Revenue	\$12,566,758
Credit Card Fee Rate	3.44%

Based upon this calculation, the City’s full cost associated with credit card fees is 3.44%.

As part of this analysis, the project team conducted a comparative survey of other local jurisdictions and their assessment of the Credit Card Transaction fee. Like other comparative efforts, the survey below simply shows the fees charged by the jurisdiction and does not include the basis upon which the other jurisdictions calculated or developed their fee. The following table shows the results of this comparative analysis:

Table 9: Credit Card Transaction Fee – Comparative Survey

Jurisdiction	Fee Amount
Milpitas	2.4% of Fees Paid by Credit Card
Palo Alto	2.7% on Fees over \$5,000 Paid by Credit Card
Mountain View	N/A
Santa Clara	N/A
Sunnyvale	N/A

Palo Alto (2.7%) and Milpitas (2.4%) are the only surveyed jurisdictions that charge this fee as a stand-alone surcharge. Both cities charge the credit card transaction fee based on a percentage of the fees paid and at a lower percentage than Cupertino’s calculated full cost of 3.44%. Additionally, Palo Alto only charges their surcharge on fees over \$5,000.

Annual Revenue Impact

Due various fees being set by the state and no current tracking methods for general fee-related services, no annual revenue impacts were calculated specific to these fees.

6. Building

The Building division is responsible for ensuring all new construction and modification or additions to existing building are in compliance with federal, state, and local laws and regulations. The fees examined within this study relate to structural, mechanical, electrical, and plumbing plan review and inspections. The following subsections discuss fee schedule modifications and detailed per unit results for the fee-related services provided by Building.

Fee Schedule Modifications

In an effort to streamline the square footage tables, Building staff proposed the following modifications:

- Consolidate the two tables for Plan Check and Inspection into a singular table which encompasses Plan Check and Inspection.
- Consolidate the three construction type categories into a single construction type based on the most common type for the IBC Class.
- Consolidate the IBC Classes into two general categories based on IBC Occupancy type – New Construction and Tenant Improvement. The only exception was for the R IBC Classes which were left expanded.
- Remove the IBC Occupancy Types ‘Deferred Submittal – All Except R-3 and ‘Deferred Submittal – R3’.
- Add a 1,000 sq. ft. project size threshold for IBC Class U Accessory.

In discussions with staff, the following modifications were proposed to the current flat and MEP fee schedule:

- **Eliminated Fees:** The following fees were eliminated as the City no longer offers these services
 - ‘Close Existing Openings – Interior Wall’
 - ‘Close Existing Openings – Exterior Wall’
 - ‘Garage / Agricultural Buildings - Wood frame up to 1,000 sf’
 - ‘Garage / Agricultural Buildings - Masonry up to 1,000 sf’
 - ‘Green Building Deposit – Third Party Certification Process – Single Family Residential (\$1,000 max.)’
 - ‘Green Building Deposit – Third Party Certification Process – Multi-Family Residential (\$20,000 min, \$40,000 max.)’

- 'Green Building Deposit – Third Party Certification Process – Non-Residential (\$35,000 min, \$75,000 max.)'
- 'Life Safety Report'
- 'Enclosed prefabricated Sun Room – Additional Sun Rooms'
- 'Plan Review Supplemental Fee (after 2nd review) – Each Additional Hour'
- 'Standalone MEP Permit Fees - Travel and Documentation'
- 'Standalone MEP Permit Fees - Permit Issuance'
- 'Install / Relocate forced air furnace or burner (including attached ducts and vents) – up to and including 100,000 Btu/h'
- 'Install / Relocate forced air furnace or burner (including attached ducts and vents) – over 100,000 Btu/h'
- 'Install / Relocate floor furnace, including vent'
- 'Install or relocate suspended heater, recessed wall heater, or floor-mounted unit – Residential'
- 'Install or relocate suspended heater, recessed wall heater, or floor-mounted unit – Commercial'
- 'Repair/Alter/Add heating appliance, refrigeration unit, cooling unit, absorption unit, mini-split system/heat pump, or each heating, cooling, absorption, or evaporative cooling system, including installation of controls and/or ducts – Residential'
- 'Repair/Alter/Add heating appliance, refrigeration unit, cooling unit, absorption unit, mini-split system/heat pump, or each heating, cooling, absorption, or evaporative cooling system, including installation of controls and/or ducts – Commercial'
- 'Install or relocate boiler or compressor - up to and including 3HP, or absorption system up to and including 100,000'
- 'Install or relocate boiler or compressor - over 3HP and up to and including 15 HP, or absorption system over 100,000 Btu/h and up to and including 500,000 Btu/h'
- 'Install or relocate boiler or compressor - over 15 HP and up to and including 30 HP, or absorption system over 500,000 Btu/h and up to and including 1,000,000 Btu/h'
- 'Install or relocate boiler or compressor - over 30 HP and up to and including 50 HP, or absorption system over 1,000,000 Btu/h and up to and including 1,750,000 Btu/h'
- 'Install or relocate boiler or compressor - over 50 HP, or absorption system over 1,750,000 Btu/h'
- 'Air-handling unit, including attached ducts – Residential'
- 'Air-handling unit, including attached ducts – Commercial'
- 'Air-handling unit, including attached ducts – Air-handling unit over 10,000 CFM'

- 'Ventilation fan connected to a single duct'
 - 'Ventilation system that is not a portion of any heating or air-conditioning system authorized by a permit'
 - 'Lighting fixtures, sockets, or other lamp-holding devices – Theatrical-type lighting fixtures or assemblies'
 - 'Appliances - Fixed residential appliances or receptacle outlets for same, including wall- mounted electric ovens; counter mounted cooking tops; electric ranges; self- contained room console or through-wall air conditioners; space heaters; food waste grinders; dishwashers; washing machines; water heaters; clothes dryers; or other motor-operated appliances not exceeding one horsepower (HP) in rating'
 - 'Appliances - Residential appliances and self-contained factory-wired, nonresidential appliances not exceeding one horsepower (HP), kilowatt (kW), or kilovolt- ampere (kVA) in rating, including medical and dental devices; food, beverage, and ice cream cabinets; illuminated show cases; drinking fountains; vending machines; laundry machines; or other similar types of equipment'
 - 'Busway – Trolley and plug-in type busways'
 - 'Signs, Outline Lighting, and Marquees - Supplied from one branch circuit'
 - 'Signs, Outline Lighting, and Marquees - Additional branch circuits within the same sign, outline lighting system, or marquee'
 - 'Plumbing fixture or trap or set of fixtures on one trap, including water, drainage piping, and backflow protection'
 - 'Rainwater system inside building'
 - 'Private sewage disposal system'
 - 'Repair/Alter drainage or vent piping'
 - 'Lawn sprinkler system on any one meter, including backflow protection devices'
 - 'Backflow devices not included in other fee services (e.g., building/trailer park)'
 - 'Atmospheric-type vacuum breakers not included in other fee services (e.g., building/trailer park sewer)'
- **New Fees:** The following fees were proposed for addition to address new services offered by the City or to capture services already offered but not listed on the current fee schedule
 - 'Additions (Non-Hillside R3 Occupancy) - Plan Check Fees (500-999 sq. ft.)'
 - 'Additions (Non-Hillside R3 Occupancy) - Inspection Fees (500-999 sq. ft.)'
 - 'Accessory Buildings (Up to 499 sq. ft.)'
 - 'Accessory Buildings (500-999 sq. ft.)'
 - 'Below Market Rate – Escrow Inspection'
 - 'Photovoltaic System – Residential – Each Additional kW Above 15kW'

- 'Thermal System – Residential – Systems up to 10kW'
 - 'Thermal System – Residential – Each Additional kW Above 10kW'
 - 'Thermal System – Multi-Family and Commercial – Systems up to 30kW'
 - 'Thermal System – Multi-Family and Commercial – Each Additional kW between 20kW and 260kW'
 - 'Thermal System – Multi-Family and Commercial – Each Additional kW Above 260kW'
 - 'Expedited Plan Review'
 - 'Install or relocate HVAC system or portion there of – Residential'
 - Install or relocate HVAC system or portion there of – Commercial'
 - 'Appliances (Install / Repair / Replace) – Residential'
 - Appliances (Install / Repair / Replace) – Commercial'
 - 'Building Drain/Waste/Vent Repair – Residential'
 - 'Building Drain/Waste/Vent Repair – Commercial'
 - 'Any other device/fixture not listed in Plumbing Schedule (Install/Repair/Replace)'
 - 'Planning Review and Inspection of Building Permits'
- **Condensed Fees:** In an effort to streamline the fee schedule 'Revisions – Commercial Projects (2hr. Min.)', 'Revisions – Single Family Dwelling Projects (2hr. Min.)', and 'Revisions – Remodel' were condensed into a singular per hour fee called 'Revisions'
 - **Expanded Fees:** The following fees were expanded as a means to define the services being provided more accurately:
 - 'Power Apparatus - Generator/Transformer or Similar (Install/Repair/Replace)' was expanded into two categories: 'Residential' and 'Commercial'
 - 'Building sewer lateral or sewer clean-out' was expanded into two fee categories 'Building sewer lateral (Install / Repair / Replace)' and 'Sewer Clean-out (Install/Repair/Replace)' each with a 'Residential' and 'Commercial' sub-category.
 - 'Photovoltaic System – Multi-family Res/Commercial, each additional 1 kilowatt' was expanded into two fees: 'Photovoltaic System – Multi-Family and Commercial – Each Additional kW between 50kW and 250kW' and 'Photovoltaic System – Multi-Family and Commercial – Each Additional kW Above 250kW'.
 - **Fee Name Changes:** In an effort to clearly define what services are associated with fees the following name changes were proposed:
 - 'Deferred Submittal (2 hour minimum)' was changed to 'Deferred Submittal'

- 'Garage / Agricultural Buildings' was changed to 'Accessory Building – Residential'
- 'Photovoltaic System – Residential' was changed to 'Photovoltaic System – Residential – Systems up to 15kW'
- 'Photovoltaic System – Multi-Family Res/Commercial, up to 8 kilowatts' was changed to 'Photovoltaic System – Multi-Family and Commercial – Systems up to 50kW'
- 'Overtime Plan Review (2 hour minimum)' was changed to 'Overtime Plan Review (4 hour minimum)'
- 'Plan Review Supplemental Fee (after 2nd review)' was changed to 'Supplemental Plan Review (After 2nd Review)'
- 'Skylight – 50 sf or less (cumulative area)' was changed to 'Skylight – First (3) Skylights'
- 'Skylight – Greater than 50 sf or structural' was changed to 'Skylight – Each Additional Skylight'
- 'Appliance or piece of equipment not classed in other appliance categories, or for which no other fee is listed' was changed to 'Any other piece of equipment or appliance not listed in Mechanical schedule.'
- 'Power Apparatus - Motors, generators, transformers, rectifiers, synchronous converters, capacitors, industrial heating, air conditioners and heat pumps, cooking or baking equipment, and other apparatus. Rating in horsepower (HP), kilowatts (kW), or kilovolt-amperes (kVA), or kilovolt-amperes-reactive (kVAR)' was changed to 'Power Apparatus - Generator/Transformer or Similar (Install/Repair/Replace)'
- 'Electrical apparatus, conduits, and conductors for which a permit is required, but for which no fee is herein set forth' was changed to 'Any other Electrical apparatus, conduits, and conductors not listed in Electrical Schedule'
- 'Residential Whole-House Re-Plumbing (up to 2500 sq ft)' was changed to 'Residential Whole-House Water Re-Pipe (up to 2500 sq ft)'
- 'Partial Re-pipe' was changed to 'Partial Water Re-pipe'
- 'Water Service' was changed 'Install or Replace Water Meter / Service'
- 'Install, Alter, or Repair Water Treatment System' was changed to 'Water Treatment System (Install/Repair/Replace)'
- 'Industrial waste pretreatment interceptor, including its trap and vent, excepting kitchen-type grease interceptors functioning as fixture traps' was changed to 'Interceptors - Grease/Sand (Install/Repair/Replace)'
- 'Water Heater (Gas or Solar) and/or Vent' was changed to 'Water Heater Replacement / Installation - All Types'
- Gas Piping system per outlet' was changed to 'Gas Piping (Install/Repair/Replace)'

- Unit Changes:** Since the minimum time for ‘Supplemental Plan Review (After 2nd Review)’ is one hour the unit was changed from ‘First 1/2 hour minimum’ to ‘Per Hour’

These modifications ensure that the proposed fee schedule not only more accurately reflects the services currently being provided by Building but also will make it easier for applicants to understand fees being charged and for staff to administer and apply fees.

Detailed Results – Fees Based on Square Footage

Building currently utilizes two tables to collect various fees based on occupancy type, construction material, and square footage of the project. As outlined in the modifications section, updates to these tables were proposed by Building staff. After integrating the changes, the project team then calculated total costs for each service which includes direct staff costs and Departmental and Citywide overhead. The following table details the IBC Class, IBC Occupancy Type, project size threshold (square footage), current fee, total cost calculated, and the resulting difference for plan review and inspection services.

Table 10: Total Cost Per Unit Results – Building – Square Footage Based Fees

IBC Class	IBC Occupancy Type	Project Threshold Size (Sq. Ft.)	Current Fee		Total Cost		Difference	
			Base Cost @ Threshold Size	Cost for Each Addl. 100 sf *	Base Cost @ Threshold Size	Cost for Each Addl. 100 sf *	Base Cost @ Threshold Size	Cost for Each Addl. 100 sf *
A	Assembly	250	\$8,195	\$237.12	\$8,113	\$224.83	\$81	\$12.29
		1,250	\$10,566	\$261.70	\$10,362	\$233.96	\$204	\$27.74
		2,500	\$13,837	\$164.53	\$13,286	\$92.51	\$551	\$72.02
		5,000	\$17,950	\$39.37	\$15,599	\$56.44	\$2,352	(\$17.08)
		12,500	\$20,903	\$50.88	\$19,832	\$49.66	\$1,071	\$1.22
		25,000	\$27,263	\$109.05	\$26,039	\$104.16	\$1,224	\$4.89
A	A Occupancy Tenant Improvements	500	\$7,331	\$108.04	\$7,405	\$117.39	(\$74)	(\$9.34)
		2,500	\$9,491	\$118.91	\$9,753	\$116.34	(\$261)	\$2.57
		5,000	\$12,464	\$71.27	\$12,661	\$43.07	(\$197)	\$28.19
		10,000	\$16,027	\$17.51	\$14,815	\$26.28	\$1,213	(\$8.77)
		25,000	\$18,654	\$23.62	\$18,757	\$24.13	(\$103)	(\$0.50)
		50,000	\$24,560	\$49.12	\$24,789	\$49.58	(\$229)	(\$0.46)
B	Business	1,000	\$10,806	\$97.03	\$11,137	\$85.35	(\$331)	\$11.68
		5,000	\$14,688	\$93.07	\$14,551	\$84.99	\$136	\$8.08
		10,000	\$19,341	\$53.80	\$18,801	\$55.79	\$540	(\$1.99)
		20,000	\$24,721	\$13.89	\$24,380	\$12.44	\$341	\$1.45
		50,000	\$28,889	\$18.61	\$28,112	\$17.91	\$777	\$0.70
		100,000	\$38,196	\$38.20	\$37,068	\$37.07	\$1,127	\$1.13

IBC Class	IBC Occupancy Type	Project Threshold Size (Sq. Ft.)	Current Fee		Total Cost		Difference	
			Base Cost @ Threshold Size	Cost for Each Addl. 100 sf *	Base Cost @ Threshold Size	Cost for Each Addl. 100 sf *	Base Cost @ Threshold Size	Cost for Each Addl. 100 sf *
B	B Occupancy Tenant Improvements	300	\$6,895	\$166.93	\$7,338	\$208.90	(\$443)	(\$41.97)
		1,500	\$8,898	\$184.16	\$9,845	\$160.49	(\$947)	\$23.67
		3,000	\$11,660	\$114.55	\$12,252	\$86.24	(\$592)	\$28.31
		6,000	\$15,097	\$27.56	\$14,839	\$41.11	\$258	(\$13.55)
		15,000	\$17,577	\$35.99	\$18,539	\$36.21	(\$962)	(\$0.21)
		30,000	\$22,977	\$76.59	\$23,971	\$79.90	(\$994)	(\$3.31)
E	Educational	100	\$7,122	\$514.67	\$7,338	\$562.07	(\$216)	(\$47.40)
		500	\$9,180	\$568.17	\$9,586	\$584.90	(\$405)	(\$16.73)
		1,000	\$12,021	\$358.05	\$12,510	\$258.73	(\$489)	\$99.32
		2,000	\$15,602	\$85.54	\$15,098	\$123.34	\$504	(\$37.80)
		5,000	\$18,168	\$110.33	\$18,798	\$113.80	(\$630)	(\$3.46)
		10,000	\$23,685	\$236.85	\$24,488	\$244.88	(\$803)	(\$8.03)
E	E Occupancy Tenant Improvements	100	\$6,022	\$439.09	\$6,239	\$428.77	(\$217)	\$10.31
		500	\$7,778	\$484.12	\$7,954	\$478.26	(\$176)	\$5.87
		1,000	\$10,199	\$298.17	\$10,346	\$176.34	(\$147)	\$121.83
		2,000	\$13,181	\$72.16	\$12,109	\$105.56	\$1,072	(\$33.40)
		5,000	\$15,346	\$95.05	\$15,276	\$97.64	\$70	(\$2.59)
		10,000	\$20,098	\$200.98	\$20,158	\$201.58	(\$60)	(\$0.60)
F	Factory Industrial	1,000	\$11,857	\$57.72	\$11,945	\$65.16	(\$88)	(\$7.44)
		5,000	\$14,166	\$70.48	\$14,551	\$79.49	(\$385)	(\$9.02)
		10,000	\$17,690	\$53.46	\$18,526	\$61.28	(\$836)	(\$7.83)
		20,000	\$23,036	\$10.91	\$24,654	\$11.53	(\$1,619)	(\$0.61)
		50,000	\$26,310	\$13.13	\$28,112	\$14.62	(\$1,802)	(\$1.49)
		100,000	\$32,873	\$32.87	\$35,420	\$35.42	(\$2,548)	(\$2.55)
F	F Occupancy Tenant Improvements	1,000	\$9,141	\$66.90	\$9,554	\$72.02	(\$413)	(\$5.12)
		5,000	\$11,817	\$73.70	\$12,435	\$74.32	(\$618)	(\$0.63)
		10,000	\$15,502	\$44.98	\$16,151	\$29.77	(\$649)	\$15.21
		20,000	\$20,000	\$10.93	\$19,128	\$16.70	\$871	(\$5.77)
		50,000	\$23,279	\$14.56	\$24,137	\$15.26	(\$859)	(\$0.71)
		100,000	\$30,556	\$30.56	\$31,769	\$31.77	(\$1,212)	(\$1.21)
H	High Hazard	100	\$9,564	\$687.16	\$10,020	\$695.37	(\$455)	(\$8.20)
		500	\$12,313	\$759.28	\$12,801	\$749.68	(\$488)	\$9.60
		1,000	\$16,110	\$485.55	\$16,550	\$341.12	(\$440)	\$144.43
		2,000	\$20,965	\$115.05	\$19,961	\$168.04	\$1,004	(\$52.99)
		5,000	\$24,416	\$146.42	\$25,002	\$151.28	(\$586)	(\$4.86)
		10,000	\$31,738	\$317.38	\$32,566	\$325.66	(\$828)	(\$8.28)
H	H Occupancy Tenant Improvements	100	\$6,723	\$488.44	\$6,514	\$493.41	\$210	(\$4.97)
		500	\$8,677	\$538.85	\$8,487	\$584.90	\$190	(\$46.05)
		1,000	\$11,371	\$334.97	\$11,412	\$203.80	(\$41)	\$131.17
		2,000	\$14,721	\$80.62	\$13,450	\$123.34	\$1,271	(\$42.72)
		5,000	\$17,140	\$105.34	\$17,150	\$102.81	(\$10)	\$2.53
		10,000	\$22,406	\$224.06	\$22,291	\$222.91	\$116	\$1.16
I	Institutional	500	\$10,327	\$148.76	\$11,218	\$171.51	(\$891)	(\$22.75)
		2,500	\$13,302	\$164.30	\$14,648	\$171.26	(\$1,346)	(\$6.97)
		5,000	\$17,410	\$104.43	\$18,930	\$81.52	(\$1,520)	\$22.91
		10,000	\$22,632	\$24.82	\$23,006	\$38.89	(\$374)	(\$14.06)
		25,000	\$26,355	\$31.79	\$28,838	\$33.95	(\$2,483)	(\$2.16)
		50,000	\$34,302	\$68.60	\$37,326	\$74.65	(\$3,024)	(\$6.05)

IBC Class	IBC Occupancy Type	Project Threshold Size (Sq. Ft.)	Current Fee		Total Cost		Difference	
			Base Cost @ Threshold Size	Cost for Each Addl. 100 sf *	Base Cost @ Threshold Size	Cost for Each Addl. 100 sf *	Base Cost @ Threshold Size	Cost for Each Addl. 100 sf *
I	I Occupancy Tenant Improvements	100	\$6,659	\$483.13	\$7,338	\$562.07	(\$679)	(\$78.94)
		500	\$8,591	\$533.03	\$9,586	\$533.19	(\$995)	(\$0.16)
		1,000	\$11,256	\$332.51	\$12,252	\$258.73	(\$996)	\$73.78
		2,000	\$14,581	\$79.88	\$14,839	\$123.34	(\$258)	(\$43.46)
		5,000	\$16,978	\$104.07	\$18,539	\$108.63	(\$1,562)	(\$4.55)
		10,000	\$22,181	\$221.81	\$23,971	\$239.71	(\$1,789)	(\$17.89)
M	Mercantile	2,000	\$13,877	\$50.21	\$14,500	\$54.42	(\$623)	(\$4.21)
		10,000	\$17,894	\$55.43	\$18,854	\$55.90	(\$960)	(\$0.48)
		20,000	\$23,436	\$34.81	\$24,444	\$23.70	(\$1,008)	\$11.11
		40,000	\$30,399	\$8.31	\$29,185	\$12.79	\$1,214	(\$4.48)
		100,000	\$35,386	\$10.78	\$36,860	\$11.50	(\$1,474)	(\$0.72)
		200,000	\$46,163	\$23.08	\$48,355	\$24.18	(\$2,192)	(\$1.10)
M	M Occupancy Tenant Improvements	300	\$7,007	\$171.55	\$7,146	\$195.64	(\$139)	(\$24.09)
		1,500	\$9,066	\$188.92	\$9,494	\$194.97	(\$428)	(\$6.04)
		3,000	\$11,900	\$114.23	\$12,419	\$71.79	(\$519)	\$42.44
		6,000	\$15,327	\$27.91	\$14,572	\$46.86	\$754	(\$18.95)
		15,000	\$17,839	\$37.44	\$18,789	\$36.76	(\$951)	\$0.68
		30,000	\$23,455	\$78.18	\$24,304	\$81.01	(\$849)	(\$2.83)
R-1	Residential—Hotels & Motels	3,000	\$21,538	\$15.25	\$16,908	\$42.88	\$4,631	(\$27.63)
		15,000	\$23,368	\$24.76	\$22,053	\$42.65	\$1,315	(\$17.90)
		30,000	\$27,082	\$8.10	\$28,451	\$18.55	(\$1,369)	(\$10.45)
		60,000	\$29,512	\$3.68	\$34,016	\$9.69	(\$4,504)	(\$6.01)
		150,000	\$32,824	\$1.91	\$42,741	\$8.90	(\$9,917)	(\$7.00)
		300,000	\$35,682	\$11.89	\$56,094	\$18.70	(\$20,412)	(\$6.80)
R-2	Residential—Apartment Building	800	\$18,400	\$47.41	\$13,318	\$123.86	\$5,082	(\$76.44)
		4,000	\$19,918	\$80.63	\$17,282	\$126.83	\$2,636	(\$46.20)
		8,000	\$23,143	\$24.89	\$22,355	\$54.38	\$788	(\$29.50)
		16,000	\$25,134	\$12.13	\$26,706	\$28.68	(\$1,572)	(\$16.54)
		40,000	\$28,046	\$5.75	\$33,589	\$26.47	(\$5,543)	(\$20.72)
		80,000	\$30,346	\$37.93	\$44,177	\$55.22	(\$13,831)	(\$17.29)
R-2	Residential—Apartment Building - Repeat Unit	800	\$7,774	\$29.92	\$6,452	\$63.78	\$1,321	(\$33.85)
		4,000	\$8,731	\$24.72	\$8,493	\$58.17	\$238	(\$33.45)
		8,000	\$9,720	\$17.87	\$10,820	\$2.89	(\$1,100)	\$14.99
		16,000	\$11,150	\$2.83	\$11,051	\$18.38	\$99	(\$15.55)
		40,000	\$11,828	\$4.34	\$15,462	\$14.80	(\$3,634)	(\$10.46)
		80,000	\$13,563	\$16.95	\$21,381	\$26.73	(\$7,818)	(\$9.77)
R-3	Dwellings—Custom Homes Models,	1,000	\$11,253	\$64.77	\$11,654	\$70.02	(\$401)	(\$5.25)
		2,500	\$12,225	\$113.41	\$12,705	\$124.95	(\$480)	(\$11.53)
		4,000	\$13,926	\$66.83	\$14,579	\$89.92	(\$653)	(\$23.09)
		6,000	\$15,262	\$72.88	\$16,377	\$80.78	(\$1,115)	(\$7.91)
		8,000	\$16,720	\$78.97	\$17,993	\$89.92	(\$1,273)	(\$10.95)
		10,000	\$18,299	\$182.99	\$19,791	\$197.91	(\$1,492)	(\$14.92)
R-3	Dwellings - Production Phase of Master Plan (Repeats)	1,000	\$7,937	\$55.97	\$5,060	\$111.12	\$2,877	(\$55.15)
		2,500	\$8,777	\$78.14	\$6,727	\$138.96	\$2,050	(\$60.82)
		4,000	\$9,949	\$60.26	\$8,811	\$25.29	\$1,138	\$34.97
		6,000	\$11,154	\$46.39	\$9,317	\$181.79	\$1,837	(\$135.39)
		8,000	\$12,082	\$72.42	\$12,953	\$232.12	(\$871)	(\$159.70)
		10,000	\$13,530	\$135.30	\$17,595	\$175.95	(\$4,065)	(\$40.65)

IBC Class	IBC Occupancy Type	Project Threshold Size (Sq. Ft.)	Current Fee		Total Cost		Difference	
			Base Cost @ Threshold Size	Cost for Each Addl. 100 sf *	Base Cost @ Threshold Size	Cost for Each Addl. 100 sf *	Base Cost @ Threshold Size	Cost for Each Addl. 100 sf *
R-3	Group Care	1,000	\$16,739	\$36.10	\$12,220	\$98.68	\$4,519	(\$62.58)
		5,000	\$18,183	\$57.17	\$16,167	\$90.48	\$2,016	(\$33.31)
		10,000	\$21,041	\$19.29	\$20,691	\$38.01	\$350	(\$18.73)
		20,000	\$22,970	\$8.45	\$24,492	\$21.97	(\$1,523)	(\$13.53)
		50,000	\$25,505	\$4.48	\$31,085	\$19.53	(\$5,580)	(\$15.04)
		100,000	\$27,747	\$27.75	\$40,849	\$40.85	(\$13,102)	(\$13.10)
R	R Occupancy Tenant Improvements	80	\$7,225	\$215.54	\$6,064	\$494.83	\$1,161	(\$279.29)
		400	\$7,914	\$288.79	\$7,647	\$529.16	\$267	(\$240.37)
		800	\$9,069	\$119.63	\$9,764	\$200.54	(\$695)	(\$80.90)
		1,600	\$10,026	\$40.71	\$11,368	\$142.06	(\$1,342)	(\$101.34)
		4,000	\$11,004	\$28.40	\$14,778	\$118.07	(\$3,774)	(\$89.67)
		8,000	\$12,140	\$151.75	\$19,501	\$243.76	(\$7,361)	(\$92.01)
S	Storage	600	\$9,006	\$108.76	\$9,037	\$120.71	(\$31)	(\$11.95)
		3,000	\$11,616	\$120.04	\$11,934	\$115.26	(\$318)	\$4.79
		6,000	\$15,217	\$75.11	\$15,391	\$49.62	(\$174)	\$25.48
		12,000	\$19,724	\$18.02	\$18,369	\$26.39	\$1,355	(\$8.37)
		30,000	\$22,967	\$23.36	\$23,119	\$23.77	(\$153)	(\$0.41)
		60,000	\$29,975	\$49.96	\$30,250	\$50.42	(\$275)	(\$0.46)
S	S Occupancy Tenant Improvements	600	\$7,364	\$90.22	\$7,954	\$109.26	(\$590)	(\$19.05)
		3,000	\$9,530	\$99.39	\$10,577	\$106.10	(\$1,047)	(\$6.71)
		6,000	\$12,511	\$59.91	\$13,760	\$40.47	(\$1,248)	\$19.44
		12,000	\$16,106	\$14.68	\$16,188	\$23.43	(\$82)	(\$8.75)
		30,000	\$18,748	\$19.68	\$20,405	\$21.94	(\$1,657)	(\$2.26)
		60,000	\$24,652	\$41.09	\$26,986	\$44.98	(\$2,334)	(\$3.89)
U	Accessory	> 1,000	See Flat Fee Schedule					
		1,000	\$7,283	\$0.00	\$6,048	\$665.77	\$1,235	(\$665.77)
		2,000	\$7,283	\$122.74	\$7,989	\$294.99	(\$707)	(\$172.26)
		4,000	\$9,737	\$243.43	\$10,997	\$274.93	(\$1,260)	(\$31.49)
		500	\$10,404	\$50.22	\$6,856	\$103.65	\$3,548	(\$53.43)
	Standard Comm. Foundation w/o Podium	2,500	\$11,408	\$66.00	\$8,929	\$105.99	\$2,480	(\$39.99)
		5,000	\$13,058	\$28.01	\$11,579	\$37.58	\$1,480	(\$9.57)
		10,000	\$14,459	\$9.26	\$13,457	\$24.45	\$1,001	(\$15.19)
		25,000	\$15,848	\$6.63	\$17,125	\$21.99	(\$1,277)	(\$15.36)
		50,000	\$17,506	\$35.01	\$22,624	\$45.25	(\$5,118)	(\$10.24)
	Standard Comm. Foundation with Podium	500	\$8,072	\$21.51	\$7,389	\$117.39	\$683	(\$95.88)
		2,500	\$9,793	\$41.57	\$9,737	\$116.34	\$56	(\$74.77)
		5,000	\$12,586	\$9.91	\$12,645	\$37.58	(\$58)	(\$27.67)
		10,000	\$14,702	\$6.47	\$14,524	\$28.01	\$178	(\$21.54)
		25,000	\$17,075	\$3.74	\$18,725	\$24.13	(\$1,650)	(\$20.39)
	All Shell Buildings	50,000	\$21,836	\$15.88	\$24,757	\$49.51	(\$2,920)	(\$33.64)
		500	\$7,402	\$108.12	\$7,146	\$117.39	\$255	(\$9.26)
		2,500	\$9,564	\$119.19	\$9,494	\$116.98	\$70	\$2.21
		5,000	\$12,544	\$73.09	\$12,419	\$43.07	\$125	\$30.02
		10,000	\$16,198	\$17.74	\$14,572	\$28.11	\$1,626	(\$10.37)
		25,000	\$18,860	\$23.46	\$18,789	\$22.06	\$70	\$1.40
		50,000	\$24,724	\$49.45	\$24,304	\$48.61	\$420	\$0.84

Overall, Building shows an under-recovery for square footage-based fees. The majority of over-recoveries are within the 'A – Assembly' and 'All Shell Building' categories. The reevaluation of time estimates ensures that each project is paying for their fair share of plan check and inspection costs.

Detailed Results – Flat and MEP Fees

Building collects flat fees for various structural, mechanical, electrical, and plumbing plan reviews and inspections. The total cost calculated for each service includes direct staff costs and Departmental and Citywide overhead. The following table details the fee name, current fee, total cost, and difference associated with each service offered.

Table 11: Total Cost Per Unit Results – Building – Flat & MEP Fees

Fee Name	Current Fee	Total Cost	Difference
Miscellaneous Fees			
Standard Hourly Rate - Building	\$243	\$263	(\$20)
Planning Review and Inspection of Building Permits	New	15%	N/A
Accessibility Hardship Exemption	\$243	\$275	(\$32)
Acoustical Review			
Single Family Home/Duplex—New	\$608	\$649	(\$41)
Single Family Home/Duplex—Addition/Alteration	\$364	\$382	(\$18)
Multi-Family/Commercial	\$608	\$649	(\$41)
Additions (Non-Hillside R3 Occupancy) - Plan Check Fees			
Plan Check Fees (up to 150 sq. ft.)	\$487	\$2,428	(\$1,941)
Plan Check Fees (251 - 499 sq. ft.)	\$971	\$4,625	(\$3,654)
Plan Check Fees (500-999 sq. ft.)	New	\$5,724	N/A
Additions (Non-Hillside R3 Occupancy) - Inspection Fees			
Inspection Fees (up to 150 sq. ft.)	\$1,213	\$3,103	(\$1,890)
Inspection Fees (251 - 499 sq. ft.)	\$1,456	\$4,137	(\$2,681)
Inspection Fees (500-999 sq. ft.)	New	\$5,171	N/A
Accessory Buildings - Residential			
Accessory Buildings (Up to 499 sq. ft.)	New	\$1,699	N/A
Accessory Buildings (500 - 999 sq. ft.)	New	\$2,491	N/A
Shed over 120 square feet	\$1,094	\$1,311	(\$217)
Accessory Dwelling Unit (ADU) - Plan Check Fees			
Plan Check Fees (up to 499 sq. ft.)	\$971	\$2,428	(\$1,457)
Plan Check Fees (500-999 sq. ft.)	\$1,940	\$3,527	(\$1,587)
Accessory Dwelling Unit (ADU) - Inspection Fees			
Inspection Fees (up to 499 sq. ft.)	\$1,456	\$2,585	(\$1,129)
Inspection Fees (500-999 sq. ft.)	\$2,423	\$3,620	(\$1,197)
Address Assignment	\$243	\$231	\$12
Alternate Materials and Methods of Construction	\$243	\$253	(\$10)
Antenna—Telecom Facility			
Radio	\$608	\$454	\$154
Cellular/Mobile Phone, alterations to existing facility	\$486	\$649	(\$163)
Cellular/Mobile Phone, free-standing	\$1,335	\$2,248	(\$913)
Cellular/Mobile Phone, attached to building	\$1,094	\$1,182	(\$88)
Arbor/Trellis	\$487	\$649	(\$162)

Fee Name	Current Fee	Total Cost	Difference
Awning/Canopy (supported by building)	\$487	\$649	(\$162)
Balcony Addition	\$1,094	\$1,572	(\$478)
Battery Energy Storage System			
First 3	\$243	\$649	(\$406)
Each Additional	\$121	\$382	(\$261)
Below Market Rate			
Escrow Inspection	New	0.52%	N/A
Board of Appeals	\$243	\$263	(\$20)
Carport	\$850	\$907	(\$57)
Certifications			
Special Inspector Qualifications (initial review)	\$487	\$506	(\$19)
Special Inspector Qualifications (renewal / update)	\$243	\$231	\$12
Chimney (new)	\$729	\$907	(\$178)
Chimney Repair	\$487	\$511	(\$24)
Clerical Fee	\$121	\$116	\$5
Commercial Coach (per unit)	\$1,094	\$1,182	(\$88)
Covered Porch	\$850	\$907	(\$57)
Deck (wood)	\$850	\$907	(\$57)
Deck Railing	\$487	\$511	(\$24)
Deferred Submittal	Actual Cost	\$255	
Demolition			
Multi-Family and Commercial (up to 3,000 sf)	\$608	\$764	(\$156)
Multi-Family and Commercial (each additional 3,000 sf)	\$243	\$267	(\$24)
Residential (R-3 Occ) (up to 3,000 sf)	\$487	\$764	(\$277)
Residential (R-3 Occ) (each additional 3,000 sf)	\$243	\$267	(\$24)
Swimming Pool Residential	\$487	\$511	(\$24)
Swimming Pool Multi-Family and Commercial (up to 3,000 sf)	\$729	\$770	(\$41)
Swimming Pool Multi-Family and Commercial (each additional 3,000 sf)	\$243	\$259	(\$16)
Disabled Access Compliance Inspection	\$243	\$263	(\$20)
Door			
New door (nonstructural)	\$364	\$382	(\$18)
New door (structural shear wall/masonry)	\$487	\$649	(\$162)
Duplicate / Replacement Job Card	\$121	\$116	\$5
Electric Vehicle Charging Station	\$243	\$382	(\$139)
Extensions			
Plan Check Applications (within 180 days of Submittal)	\$243	\$263	(\$20)
Permits (within 180 days of Issuance):			
Start construction, without plans	\$121	\$137	(\$16)
Resume or complete construction, without plans	\$121	\$137	(\$16)
Start construction, with plans	\$243	\$275	(\$32)
Resume or complete construction, with plans	\$486	\$549	(\$63)
Fence			
Non-masonry, over 7 feet in height	\$487	\$511	(\$24)
Non-masonry, each additional 100 l.f.	\$121	\$129	(\$8)
Masonry, over 7 feet in height	\$850	\$907	(\$57)
Masonry, each additional 100 l.f.	\$487	\$517	(\$30)
Fireplace			
Masonry	\$850	\$907	(\$57)

Fee Name	Current Fee	Total Cost	Difference
Pre-Fabricated/Metal	\$487	\$511	(\$24)
Flag pole (over 20 feet in height)	\$487	\$511	(\$24)
Foundation Repair	\$1,094	\$1,166	(\$72)
Inspections			
Pre-Inspection Fee	\$243	\$263	(\$20)
Standard Inspection Hourly Rate	\$243	\$263	(\$20)
Progress Inspection	\$243	\$263	(\$20)
Partial Inspection	\$243	\$263	(\$20)
Courtesy Inspection - 2 hour minimum	\$243	\$256	(\$13)
Cancelled inspection w/out advance notice	\$243	\$256	(\$13)
Reinspection	\$243	\$256	(\$13)
Outside of normal business hours (4 hour minimum)	\$243	\$305	(\$62)
Inspection Supplemental Fee (Projects that require more inspections than average, the Building Official may charge additional inspection fees)			
First 1/2 hour minimum	\$121	\$129	(\$8)
Each Additional hour	\$243	\$259	(\$16)
Lighting pole	\$608	\$649	(\$41)
Each additional pole	\$243	\$267	(\$24)
Modular Structures	\$1,094	\$923	\$171
Modification of Technical Code	\$243	\$263	(\$20)
Occupancy			
Certificate of Occupancy/Completion	\$487	\$511	(\$24)
Temporary Occupancy Permit	\$487	\$511	(\$24)
Partition—Commercial, Interior (up to 30 l.f.)	\$729	\$778	(\$49)
Additional partition	\$243	\$259	(\$16)
Partition—Residential, Interior (up to 30 l.f.)	\$487	\$511	(\$24)
Additional partition	\$243	\$259	(\$16)
Patio Cover / Gazebo			
Wood frame	\$584	\$923	(\$339)
Metal frame	\$584	\$923	(\$339)
Other frame	\$816	\$923	(\$107)
Additional patio	\$350	\$396	(\$46)
Enclosed prefabricated Sun Room	\$816	\$907	(\$91)
Photovoltaic System			
Residential:			
Systems up to 15kW	\$427	\$450	(\$23)
Each Additional kW Above 15kW	New	\$15	
Multi-Family and Commercial:			
Systems up to 50kW	\$608	\$1,000	(\$392)
Each Additional kW between 50kW and 250kW	\$62	\$7	\$55
Each Additional kW Above 250kW	\$62	\$5	\$57
Thermal System			
Residential:			
Systems up to 10kW	New	\$450	N/A
Each Additional kW Above 10kW	New	\$15	N/A
Multi-Family and Commercial:			
Systems up to 30kW	New	\$1,000	N/A
Each Additional kW between 30kW and 260kW	New	\$7	N/A
Each Additional kW Above 260kW	New	\$5	N/A
Pile Foundation			
Cast in Place Concrete (first 10 piles)	\$1,094	\$1,182	(\$88)

Fee Name	Current Fee	Total Cost	Difference
Additional Piles (increments of 10)	\$729	\$792	(\$63)
Driven (steel, pre-stressed concrete)	\$1,094	\$1,182	(\$88)
Additional Piles (increments of 10)	\$729	\$792	(\$63)
Product Review	\$243	\$253	(\$10)
Plan Review			
Standard Plan Review Hourly Rate	\$243	\$275	(\$32)
Overtime Plan Review (4 hour minimum)	\$243	\$321	(\$78)
Pre-Submittal Plan Review (2 hour minimum)	\$243	\$275	(\$32)
Expedited Plan Review		1.5x Plan	
	New	Check Fee	
Supplemental Plan Review (After 2nd Review)	\$242	\$275	(\$33)
Pre-Construction Meeting	\$460	\$446	\$14
Remodel—Residential			
Kitchen (up to 300 sq. ft.)	\$971	\$1,028	(\$57)
Bath (up to 300 sq. ft.)	\$971	\$1,028	(\$57)
Other Remodel (up to 300 sq. ft.)	\$729	\$907	(\$178)
Additional remodel (each 300 sq. ft.)	\$364	\$679	(\$315)
Other Remodel (1000 sq. ft.)	\$2,308	\$2,491	(\$183)
Additional remodel (each 300 sq. ft.)	\$364	\$158	\$206
Other Remodel (2500+ sq. ft.)	\$3,037	\$3,282	(\$245)
Additional remodel (each 300 sq. ft.)	\$364	\$79	\$285
Re-roof			
Residential (maximum \$500 per building)	\$26	\$25	\$1
Multi-Family Dwelling (maximum \$500 per building)	\$26	\$25	\$1
Commercial:			
Commercial (first 5,000 sf)	\$608	\$633	(\$25)
Commercial (each additional 2,500 sf)	\$243	\$259	(\$16)
Retaining Wall (concrete or masonry)			
Standard (up to 50 l.f.)	\$1,094	\$1,182	(\$88)
Additional retaining wall	\$729	\$792	(\$63)
Special Design, 3-10' high (up to 50 l.f.)	\$1,577	\$1,715	(\$138)
Additional retaining wall	\$729	\$1,050	(\$321)
Special Design, over 10' high (up to 50 l.f.)	\$1,821	\$1,974	(\$153)
Additional retaining wall	\$729	\$1,309	(\$580)
Gravity/Crib Wall, 0-10' high (up to 50 l.f.)	\$1,577	\$1,715	(\$138)
Additional Gravity/Crib Wall	\$971	\$1,050	(\$79)
Gravity/Crib Wall, over 10' high (up to 50 l.f.)	\$1,821	\$1,974	(\$153)
Additional Gravity/Crib Wall	\$971	\$1,309	(\$338)
Revisions	\$608	\$259	\$349
Sauna—steam	\$850	\$907	(\$57)
Siding			
Stone and Brick Veneer (interior or exterior)	\$608	\$633	(\$25)
All Other (up to 400 sq. ft.)	\$487	\$503	(\$16)
Additional siding (up to 400 sq. ft.)	\$121	\$129	(\$8)
Signs			
Directional	\$487	\$511	(\$24)
Each additional Directional Sign	\$243	\$267	(\$24)
Ground/Roof/Projecting Signs	\$487	\$511	(\$24)
Master Plan Sign Check	\$487	\$511	(\$24)
Rework of any existing Ground Sign	\$487	\$511	(\$24)
Other Sign	\$487	\$511	(\$24)
Reinspection Fee	\$121	\$122	(\$1)

Fee Name	Current Fee	Total Cost	Difference
Wall/Awning Sign, Non-Electric	\$364	\$382	(\$18)
Wall/Awning Sign, Electric	\$364	\$511	(\$147)
Skylight			
First (3) Skylights	Modified	\$511	N / A
Each Additional Skylight	Modified	\$267	N / A
Stairs—First Flight			
Each additional flight	\$487	\$511	(\$24)
	\$243	\$267	(\$24)
Storage Racks			
0-8' high (up to 100 l.f.)	\$608	\$649	(\$41)
each additional 100 l.f.	\$121	\$129	(\$8)
over 8' high (up to 100 l.f.)	\$608	\$778	(\$170)
each additional 100 l.f.	\$121	\$129	(\$8)
Stucco Applications			
Base	\$487	\$503	(\$16)
Additional Stucco Application	\$121	\$129	(\$8)
Swimming Pool/Spa			
Vinyl-lined	\$1,094	\$1,182	(\$88)
Fiberglass	\$1,094	\$1,182	(\$88)
Gunite (up to 800 sf)	\$1,577	\$1,699	(\$122)
Additional pool (over 800 sf)	\$364	\$396	(\$32)
Commercial pool (up to 800 sf)	\$2,672	\$2,881	(\$209)
Additional pool (over 800 sf)	\$729	\$792	(\$63)
Spa or Hot Tub (Pre-fabricated)	\$487	\$511	(\$24)
Temporary Structures	\$729	\$778	(\$49)
Tenant Improvement Preparation	\$487	\$511	(\$24)
Window or Sliding Glass Door			
Replacement (first 8 windows)	\$364	\$374	(\$10)
Replacement (each additional 8 windows)	\$121	\$129	(\$8)
New Window (nonstructural)	\$305	\$320	(\$15)
New window (structural shear wall/masonry)	\$426	\$454	(\$28)
Bay Window (structural)	\$426	\$454	(\$28)
Mechanical, Electrical, and Plumbing (MEP) Fees			
Mechanical Fees			
Mechanical Permit Fee	\$82	\$263	(\$181)
Stand Alone Mechanical Plan Check	\$243	\$263	(\$20)
Other Mechanical Inspections	\$243	\$263	(\$20)
Mechanical Unit Fees			
Install or relocate HVAC system or portion thereof			
Residential	New	\$259	N/A
Commercial	New	\$388	N/A
Hood installation that is served by mechanical exhaust, including the ducts for such hood			
Residential	\$121	\$129	(\$8)
Commercial	\$364	\$517	(\$153)
Any other piece of equipment or appliance not listed in Mechanical schedule.	\$182	\$259	(\$77)
Electrical Fees			
Electrical Permit Fee	\$82	\$263	(\$181)
Electrical Plan Check	\$243	\$263	(\$20)
Electrical Inspections	\$243	\$263	(\$20)

Fee Name	Current Fee	Total Cost	Difference
Electrical Unit Fees			
Residential Whole-House Rewire (up to 2500 sq ft)	\$486	\$517	(\$31)
Each Additional 1000 sq ft	\$243	\$259	(\$16)
Receptacle, switch, lighting, or other outlets at which current is used or controlled, except services, feeders, and meters			
First 20	\$82	\$86	(\$4)
Each Additional	\$7	\$9	(\$2)
Lighting fixtures, sockets, or other lamp-holding devices			
First 20	\$121	\$129	(\$8)
Each Additional	\$9	\$9	\$0
Pole or platform-mounted lighting fixtures	\$26	\$30	(\$4)
Appliances (Install / Repair / Replace)			
Residential	New	\$44	N/A
Commercial	New	\$85	N/A
Power Apparatus - Generator/Transformer or Similar (Install/Repair/Replace)			
Residential	\$243	\$388	(\$145)
Commercial	\$243	\$259	(\$16)
Services (including Temporary Power)			
600 volts or less, up to 200 amperes in rating	\$82	\$86	(\$4)
600 volts or less, 201 to 1000 amperes in rating	\$121	\$259	(\$138)
Over 600 volts or over 1000 amperes in rating	\$243	\$388	(\$145)
Any other Electrical apparatus, conduits, and conductors not listed in Electrical Schedule	\$243	\$0	\$243
Plumbing / Gas Fees			
Plumbing/Gas Permit Fee	\$82	\$263	(\$181)
Stand Alone Plumbing Plan Check	\$243	\$263	(\$20)
Other Plumbing and Gas Inspections	\$243	\$263	(\$20)
Plumbing / Gas Unit Fees			
Residential Whole-House Water Re-Pipe (up to 2500 sq ft)			
Each Additional 1000 sq ft	\$243	\$259	(\$16)
Partial Water Re-pipe			
Residential	\$24	\$517	(\$493)
Commercial	\$15	\$259	(\$244)
Install or Replace Water Meter / Service	\$62	\$17	\$45
Water Treatment System (Install/Repair/Replace)	\$82	\$0	\$82
Building sewer lateral (Install / Repair / Replace)			
Residential	\$62	\$65	(\$3)
Commercial	\$121	\$129	(\$8)
Sewer Clean-out (Install/Repair/Replace)			
Residential	\$62	\$65	(\$3)
Commercial	\$121	\$129	(\$8)
Building Drain/Waste/Vent Repair			
Residential	New	\$26	N/A
Commercial	New	\$18	N/A
Interceptors - Grease/Sand (Install/Repair/Replace)	\$182	\$194	(\$12)
Water Heater Replacement / Installation - All Types			
Residential	\$62	\$65	(\$3)
Commercial	\$182	\$194	(\$12)

Fee Name	Current Fee	Total Cost	Difference
Gas Piping (Install/Repair/Replace)	\$121	\$129	(\$8)
Any other device/fixture not listed in Plumbing Schedule (Install/Repair/Replace)	New	\$129	N/A

Generally, Building under-recovers for their Flat and MEP fees. The largest deficit at \$580 is in relation to ‘Retaining Wall (concrete or masonry) – Special Design, over 10’ high – Additional retaining wall’, followed by ‘Partial Water Re-Pipe - Residential’ and ‘Partial Water Re-Pipe – Commercial’ at \$493 and \$244, respectively. The largest over-recoveries are in relation to ‘Remodel – Residential’ and ‘Skylights’ as both of these fee categories not only have proposed unit changes but the staff effort captured within the fees were modified.

Currently, the City does not capture time associated with the Planning Division’s review and inspection on Building permits. It was determined that a fee based on a percentage of the building permit would be added to Building’s fee schedule to account for Planning support provided during the construction phase. This percentage was calculated at 15% of the building permit fee.

Annual Revenue Impacts

Based on the prior year’s workload information, and current budgeted expenditures, annual cost recovery was evaluated. The following table shows by major fee category: revenue at current fee, total projected annual cost, and the resulting difference.

Table 12: Annual Results – Building

Fee Category	Revenue at Current Fee	Annual Cost	Difference
Flat & MEP Fees	\$1,290,973	\$1,567,052	(\$276,079)
Sq. Ft.	\$2,509,608	\$2,577,404	(\$67,796)
Planning Cross-Dept Support	\$0	\$193,305	(\$193,305)
Total	\$3,800,581	\$4,337,761	(\$537,180)

Building has an annual cost recovery of 88%, which translates to roughly a \$537,000 subsidy. The majority of the difference is due to Flat and MEP fees, primarily due to ‘Additions (Non-Hillside R3 Occupancy) – Plan Check’ and ‘Additions (Non-Hillside R3 Occupancy) – Inspections’. The next largest subsidy is due to lack of recovery for Planning support on building plan checks and permits. The City should consider implementing a separate fee to allow for greater cost recovery.

7. Public Works Department

The Public Works Department is responsible for the daily upkeep and maintenance of City owned and operated facilities and infrastructure. The fees examined within this study relate to oversight and permitting of improvements that affect the public right of way and public infrastructure, including, encroachments, map services, public improvements, tree planting, and more. The following subsections discuss fee schedule modifications and detailed per unit results for the fee-related services provided by Public Works.

Fee Schedule Modifications

In discussions with staff, the following modifications were proposed to the current fee schedule:

- **Fee Name Changes:** The following fee names were updated to more accurately reflect the services provided:
 - 'Grading Permit - <10,000 s.f. lot' is now 'Grading Permit - <10,000 s.f.'
 - 'Review of Building Permit Only' is now 'Stand Alone Building Permit Review'
- **Eliminated Fee:** The following fees are proposed for elimination from the Public Works fee schedule:
 - The 'Stormwater Permit -Initial Inspection' fee was eliminated as the City seldomly charged the fee and instead is working towards voluntary cooperation and compliance
 - 'Trash Enclosure' fees were eliminated as these fees are now captured under Environmental Plan Review.
- **New Fees:** The following fees are proposed for addition to the Public Works fee schedule:
 - Environmental Plan Review
 - Construction and Demolition Diversion Compliance Review
 - Development Project Review
 - Planning Application Review
 - VMT Monitoring Fee

These modifications ensure that the proposed fee schedule provides a clear and concise list of Public Works services.

Detailed Results

The Public Works Department collects fees for encroachments, map services, public improvements, tree planting, etc. The total cost calculated for each service includes direct staff costs, Departmental and Citywide overhead, and cross-departmental support³. The following table details the fee name, current fee, total cost, and difference associated with each service offered.

Table 13: Total Cost Per Unit Results – Public Works

Fee Name	Current Fee	Total Cost	Difference
Encroachment Permits			
Minor Encroachment Permits (Local Streets)	\$647	\$602	\$45
Minor Encroachment Permits (Utility)	\$447	\$416	\$31
Major Encroachment Permits (Arterials and Collectors)	\$1,115	\$1,057	\$58
Work without Permit	Double the permit cost		
Small Cell Facility Encroachment Permit	\$2,228	\$2,195	\$33
Minor Street Cuts	\$1,785	\$1,729	\$56
Major Street Cuts	\$3,601	\$3,515	\$86
Special Major Permit (projects in excess of \$30,000 or over 15 working days)	5%	5%	0%
Special Major Permit (projects in excess of \$30,000 or over 15 working days)	\$80	\$254	(\$174)
Permit Extension	\$524	\$523	\$1
Crane Lift	New	\$1,415	N/A
Grading Permit			
<10,000 s.f.	\$1,376	\$1,338	\$38
10,000 s.f. or greater - Min.	\$4,015	\$4,842	(\$827)
10,000 s.f. or greater - % of Improvement	6.00%	7.24%	(1.24%)
Mapping Services			
Parcel Map (1-4 lots)	\$8,170	\$8,299	(\$129)
Tract Map (> 4 lots)	\$13,413	\$13,549	(\$136)
Certificate of Correction	\$1,155	\$1,113	\$42
Certificate of Compliance - Initial Review	\$1,265	\$3,935	(\$2,670)
Certificate of Compliance - Finalize Certificates	\$1,265	\$3,935	(\$2,670)
Lot Line Adjustment	\$4,069	\$4,173	(\$104)
Annexation (plus County filing fee)	\$2,948	\$3,486	(\$538)
Plan Check and Inspection			
Stand Alone Building Permit Review	\$1,218	\$1,289	(\$71)
Additional Plan Review - 3 or more reviews	\$279	\$315	(\$36)
Revisions to Plans and Permits	\$279	\$315	(\$36)
Floodplain Evaluation/Elevation Certificate Review	\$271	\$297	(\$26)
Streamside Permit	\$494	\$462	\$32
Storm Management Plan Review	\$1,789	\$2,202	(\$413)
Professional Services 3rd Party Consultant Review	Cost of Review + City Administrative Fee		
Public Works Confirmation	\$542	\$629	(\$87)
Review of Public/Private Improvement Plans			
Residential - Minimum	\$5,392	\$5,598	(\$206)

³ Planning, City Attorney, City Clerk, Maintenance, GIS, and Environmental provide cross-departmental support on various Public Works fees.

Fee Name	Current Fee	Total Cost	Difference
Residential - Cost of Improvement	5.00%	5.19%	(0.19%)
Commercial - Minimum	\$10,086	\$10,621	(\$535)
Commercial - Cost of Improvement	6.00%	6.32%	(0.32%)
Planning Application Review	New	\$1,573	N/A
VMT Monitoring Fee	New	\$188	N/A
Transportation Permit (State Regulated Fee)⁴			
Single	\$16	\$16	\$0
Annual Utility Company	\$90	\$90	\$0
Miscellaneous			
Large Banners Across Stevens Creek Boulevard	\$741	\$730	\$11
Block Party	\$0	\$1,338	(\$1,338)
Additional Engineering Investigation or Coordination	\$279	\$315	(\$36)
Public Works Staff Time	\$256	\$288	(\$32)
Vacation of Public Street ROW/PUE			
Summary Vacation	\$3,091	\$3,168	(\$76)
Full Vacation	\$4,809	\$4,930	(\$121)
Rural/Semi-Rural Classification Application			
Application Phase	\$2,518	\$2,571	(\$53)
Implementation Phase	\$1,540	\$1,594	(\$54)
Permit Parking Study			
Application Phase	\$1,540	\$1,397	\$143
Implementation phase	\$1,261	\$1,138	\$123
Permit Parking Bi-annual Fee	\$0	\$39	(\$39)
Environmental Programs			
Stormwater Permit - Re-Inspection for Violations	\$355	\$431	(\$76)
Plan Review Fee:			
Single Family	New	\$157	N/A
Multi-Family	New	\$313	N/A
Construction and Demolition Diversion Compliance Review	New	\$106	N/A
Development Project Review	New	\$271	N/A
Public Tree Planting Cost			
24" Street Tree	\$515	\$1,018	(\$503)
36" Street Tree or larger		Actual Costs	

Public Works generally under-recovers on fees for service. Under-recoveries range from a low of \$26 for 'Floodplain Evaluation/Elevation Certificate Review' to a high of \$2,670 for 'Certificate of Compliance – Initial Review' and 'Certificate of Compliance – Finalize Certificates'. Due to a policy decision, the City currently does not charge for 'Block Party' permits; as such, the \$1,338 cost associated with this activity documents the full-cost subsidy provided to applicants by the City.

⁴ Cal. Code Regs. tit. 21 § 1411.3 (a)

Annual Revenue Impacts

Utilizing the prior year's workload information, the project team compared the revenue at current fee to the revenue at the calculated full cost. This analysis provides a 'per unit' difference and a cost recovery percentage which can be used to estimate the fiscal impact of implementing the results from this fee study. The following table shows by major fee category: revenue at current fee, revenue at calculated full cost, and the resulting difference.

Table 14: Annual Results – Public Works

Fee Category	Revenue at Current Fee	Revenue at Calculated Full-Cost	Difference
Encroachment Permits	\$660,932	\$664,363	(\$3,431)
Mapping Services	\$25,652	\$26,020	(\$368)
Plan Check and Inspection	\$133,510	\$144,898	(\$11,388)
Review of Public/Private Improvement Plans	\$13,042	\$13,540	(\$498)
Transportation Permit (State Regulated Fee)	\$834	\$834	\$0
Miscellaneous	\$288,358	\$333,080	(\$44,722)
Total	\$1,122,328	\$1,182,734	(\$60,407)

Public Works has an annual cost recovery of 95%, which represents a roughly \$60,000 deficit. The largest deficit is in the Miscellaneous fee category associated with services billed out at the public works staff hourly rate. Reviewing and updating this rate will allow the department to achieve greater cost recovery.

8. Planning

The Planning division is responsible for ensuring current and future development aligns with the City's general and master plan. As such, the fees examined within this study relate to zoning, subdivisions, exceptions, appeals, etc. The following subsections discuss fee schedule modifications and detailed per unit results for the fee-related services provided by Planning.

Fee Schedule Modifications

In discussions with staff, the following modifications to the fee schedule were proposed.

- **New Fees:** The following fees were proposed for addition to the Planning fee schedule:
 - 'Project Review Meeting'
 - 'Preliminary Application Review – Single Family'
 - 'Preliminary Application Review – Non-Residential (Retail / Industrial / Office / Hotel): <10,000 sf'
 - 'Preliminary Application Review – Non-Residential (Retail / Industrial / Office / Hotel): >10,000 sf'
 - 'Preliminary Application Review – Residential / Mixed Use: Duplex'
 - 'Preliminary Application Review – Residential / Mixed Use: 3-6 Units'
 - 'Preliminary Application Review – Residential / Mixed Use: 6-50 Units'
 - 'Preliminary Application Review – Residential / Mixed Use: >50 Units'
 - 'Planning Inspection'
 - 'Application Revisions (after 2nd Review)'
 - 'Mercury News Ad'
 - 'Special Events'
 - 'Sign Permit'

The proposed addition of new fees ensure that the proposed fee schedule more accurately reflects the services currently being provided by Planning staff.

Detailed Results – Flat Fees

Planning collects flat fees for subdivisions, exceptions, appeals, and more. The total cost calculated for each service includes direct staff costs, Departmental and Citywide overhead, and cross-departmental support⁵. The following table details the fee name, current fee, total cost, and difference associated with each service offered.

⁵ Traffic Engineering, Environmental, and Building provide cross-departmental support on various Planning fees.

Table 15: Total Cost Per Unit Results – Planning Flat Fees

Fee Name	Current Fee	Total Cost	Difference
Planning Staff Hourly Rate	\$332	\$287	\$45
Subdivision			
Tentative Map (Five or More Parcels)	\$34,792	\$46,604	(\$11,812)
Parcel Map (0-4 Parcels)	\$20,917	\$27,117	(\$6,200)
Conditional Use/Development Permit			
Temporary Use Permit	\$4,639	\$5,030	(\$391)
Administrative Conditional Use Permit	\$7,682	\$10,614	(\$2,932)
Minor	\$21,043	\$25,496	(\$4,453)
Major	\$35,064	\$38,905	(\$3,841)
Amendment to Conditional Use Permit/Development Permit			
Minor	\$9,666	\$11,501	(\$1,835)
Major	\$17,654	\$24,819	(\$7,165)
Architectural and Site Approval Permit			
Minor Duplex/Residential	\$7,393	\$10,584	(\$3,191)
Minor	\$14,557	\$16,515	(\$1,958)
Major	\$21,667	\$25,195	(\$3,528)
Single Family (R-1) Residential Permits			
Minor Residential Permit	\$3,796	\$3,983	(\$187)
Two-Story Permit without Design Review	\$4,929	\$4,985	(\$56)
Two-Story Permit with Design Review	\$5,915	\$6,088	(\$173)
Director Minor Modification	\$5,185	\$5,441	(\$256)
Ministerial Residential Permit			
Miscellaneous Ministerial Permit	\$4,322	\$4,506	(\$184)
Exceptions			
Fence Exception - R1 and R2	\$1,411	\$4,626	(\$3,215)
Fence Exception - Other	\$4,749	\$5,132	(\$383)
Sign Exception	\$5,405	\$6,911	(\$1,506)
R-1 Exception	\$7,677	\$7,742	(\$65)
Heart of the City Exception	\$21,460	\$24,873	(\$3,413)
Hillside Exception	\$22,241	\$23,724	(\$1,483)
Exception - Other	\$7,408	\$7,862	(\$454)
Variance	\$8,489	\$8,990	(\$501)
Reasonable Accommodation	\$1,232	\$3,570	(\$2,338)
Tree Removal Permit			
Tree Removal Permit (no Arborist review required):			
First Tree	\$328	\$1,260	(\$932)
Each Additional Tree	\$165	\$276	(\$111)
Tree Removal Permit (Arborist review required):			
First Tree	\$492	\$2,305	(\$1,813)
Each Additional Tree	\$247	\$950	(\$703)
Retroactive Tree Removal Permit	\$5,464	\$5,464	\$0
Heritage Tree Designation	\$411	\$4,182	(\$3,771)
Tree Management Plan	\$7,724	\$7,871	(\$147)
Signs			
Temporary Sign Permit	\$524	\$547	(\$23)
Sign Program	\$4,242	\$4,411	(\$169)
Planning Commission Interpretation	\$7,822	\$7,973	(\$151)
Extension of Approved Entitlements	\$2,103	\$643	\$1,460
Environmental Assessment			

Fee Name	Current Fee	Total Cost	Difference
Categorical Exemption (Plus County Filing Fee)	\$379	\$397	(\$18)
Appeals			
Planning Commission	\$379	\$19,006	(\$18,627)
City Council	\$379	\$19,294	(\$18,915)
Miscellaneous Fees			
Legal Noticing Fee	\$440	\$521	(\$81)
Zoning Verification Letter	\$555	\$577	(\$22)
Public Convenience & Necessity Letter (Alcohol Beverage License)	\$279	\$288	(\$9)
Short-Term Rental	\$232	\$405	(\$173)
Mobile Vending Registration Fee	\$332	\$543	(\$211)
Proposed New Fees			
Project Review Meeting	New	\$5,106	N/A
Preliminary Application Review			
Single Family	New	\$4,042	N/A
Non-Residential (Retail / Industrial / Office / Hotel):			
<10,000 sf	New	\$9,421	N/A
>10,000 sf	New	\$12,999	N/A
Residential / Mixed Use:			
Duplex	New	\$3,428	N/A
3-6 Units	New	\$14,776	N/A
6-50 Units	New	\$18,427	N/A
>50 Units	New	\$23,213	N/A
Planning Inspection	New	\$860	N/A
Application Revision (after 2nd review)	New	\$10,400	N/A
Actual Cost + 15% Admin Charge			
Mercury News Ad	New		
Special Events	New	\$7,779	N/A
Sign Permit	New	\$6,911	N/A

Planning under-recovers for all their fees. The largest under-recoveries are within the Appeals category, at \$18,627 for 'Appeals – Planning Commission' and \$18,915 for 'Appeals – City Council'. It is common to see large subsidies in relation to appeals due to the understanding that the benefit to the community having access to the appeal process outweighs the benefit of recovering the full cost to the City. There are also several new fees being proposed to be added to help recover costs for services currently being provided but for which there is no fee on the fee schedule.

Detailed Results – Deposit Based Fees

The Planning division currently collects several deposit-based fees associated with general plan and zoning amendments. These fees are billed at the staff fully burdened hourly rate. The following lists all deposit-based fees assessed by the Planning division:

- General Plan Authorization
- General Plan Amendment
- Zoning Map Amendment

- Zoning Text Amendment
- Zoning – Single Story Overlay District
- Study Session

These fees would continue to remain deposit-based and should be billed out at the updated fully burdened staff hourly rate of \$287 to ensure that there is full cost recovery.

Annual Revenue Impacts

Utilizing the prior year’s workload information, the project team compared the revenue at current fee to the revenue at the calculated full cost. This analysis provides a ‘per unit’ difference and a cost recovery percentage, which can be used to estimate the fiscal impact of implementing the results from this fee study. The following table shows by major fee category: revenue at current fee, revenue at calculated full cost, and the resulting difference.

Table 16: Annual Results – Planning

Fee Category	Revenue at Current Fee	Revenue at Calculated Full Cost	Difference
Subdivision - Tentative Map (Five or More Parcels)	\$69,584	\$93,209	(\$23,625)
Conditional Use/Development Permit	\$107,471	\$125,455	(\$17,984)
Architectural and Site Approval Permit	\$94,452	\$107,772	(\$13,320)
Single Family (R-1) Residential Permits	\$272,286	\$277,093	(\$4,807)
Director Minor Modification	\$119,255	\$125,149	(\$5,894)
Exceptions	\$23,652	\$28,350	(\$4,698)
Tree Removal Permit	\$22,960	\$103,144	(\$80,184)
Signs	\$1,048	\$1,094	(\$46)
Extension of Approved Entitlements	\$2,103	\$643	\$1,460
Zoning Verification Letter	\$3,885	\$4,037	(\$152)
Preliminary Application Review - Single Family	\$0	\$20,212	(\$20,212)
Total	\$716,696	\$886,158	(\$169,462)

Planning has an annual cost recovery of 81%, which represent a roughly \$169,000 deficit. Roughly \$80,000 of the \$169,000 difference is due to ‘Tree Removal Permits’, primarily ‘Tree Removal Permit (Arborist review required)’. The City currently charges this fee at \$492 per tree, the full cost was calculated to be \$2,305 per tree, resulting in a \$1,813 per unit deficit. While Tree Removal Permits are often subsidized to mitigate impacts to the community, due to the large annual volume of these permits even a small adjustment to the fee would have a significant impact on bridging Planning’s cost recovery gap.

9. Parks & Recreation

Within the Parks and Recreation Department, the Recreation Services Organization is responsible for providing residents and visitors with recreational and leisure activities. The Department coordinates, promotes, and oversees recreation services across various programs. The following dot points provide an overview of each program:

- **Cultural Events** is responsible for facilitating City hosted events and acting as liaison for community sponsored special events.
- **Facilities** is responsible for managing daily operations and overseeing the rental of the Community Hall, Quinlan Community Center, and the Creekside Park building.
- **Youth Teen Recreation** is responsible for developing and overseeing fee-based youth and teen programs (i.e. summer camps, preschool, enrichment classes, etc.).
- **Senior Center** is responsible for developing and overseeing activities at the Senior Center (i.e., enrichment classes, group trips, social events, etc.).
- **Youth and Teen Programs** is responsible for supporting the Youth Activity Board, coordinating the teen summer volunteer program, producing on youth specific special events, and managing daily operations of the Monta Vista Recreation Center.
- **Neighborhood Events** is responsible for scheduling summer events at neighborhood parks (i.e., outdoor concerts and movies, fitness programs, performances, etc.).
- **Park Facilities** is responsible for the operations of Blackberry Farm which provides open spaces for various recreational activities (i.e., swimming, picnics, etc.) along with overseeing and managing the McClellan Ranch Preserve and the Community Garden.
- **Blackberry Farms Golf Course** is responsible for managing the daily operations of the City's nine-hole golf facility.
- **Sports Center Operations** is responsible for managing the daily operations of the Cupertino Sports Center, along with providing various wellness and sport related activities (i.e., tennis, pickleball, fitness classes, etc.).

- **Outdoor Recreation** is responsible for providing the community with various sports, fitness, and outdoor activities (i.e., swim classes, sports leagues, nature, and science programs, etc.).

Like most cities, Cupertino assess most of their fees within each program on a tiered basis, proportionate to the benefit provided to the community. Depending on where the applicant falls on the tiered system their fee(s) will vary based on the associated cost recovery goal for that group. Cupertino classifies applicants into four groups: Cupertino Non-Profit, Non-Profit, Resident, and Non-Resident. Grants, special funding, or general fund subsidies are then used to offset the difference in cost recovery to ensure that the community and visitors have equitable access to programs and facilities.

Recreation fees are classified as market driven due to their optional nature. Residents have the choice of utilizing the programs and facilities within their own community or those of a neighboring city. Given this, while the project team worked with parks and recreation staff to review costs associated with individual program fees, this report focuses and highlights overall programmatic cost recoveries.

The following subsections provide an overview of the legal framework for recreational fees along with a cost recovery analysis of Cupertino's Park and Recreation services at the programmatic level.

Parks & Recreation Legal Framework

There are specific rules and regulations within California State Law that impact Parks and Recreation related activities directly. These can be separated into two categories – rental rates and recreation programs. The following points provide further information regarding these items:

1. **Rental Rates:** One of the exceptions to the tax category under proposition 26 is a charge imposed for entrance to or use of local government property, or the purchase, or rental, or lease of local government property⁶. There is no requirement that these rates must be limited to the cost of service, as they can be dependent upon a variety of features of the facility or park being rented.
2. **Recreation Programs:** Under Proposition 26, the exception to the tax category is a charge that is "imposed". Based upon the League of California Cities implementation guide for Proposition 26, as well as other legal opinions, recreation classes, youth sports, adult sports, are not a charge that is "imposed upon residents". Rather residents have the option to voluntarily participate in those

⁶ Proposition 26 Article XIII C(1)(e)(4)

programs and utilize a private entity (non-governmental entity) for those activities. Therefore, these rates are allowed to be set based upon the market options within the area rather than being restricted to the cost of service being provided.

Utilizing these two principals is key to understanding the results generated through this analysis. As such, when setting fees specific to Parks and Recreation fees do not need to be set at or under the cost of service, rather, fee amount(s) can and should be based upon the rates that the market can bear.

Cost Recovery Analysis – Direct Expenses

The typical cost recovery for Parks and Recreation services is between 20-50%. The low-cost recovery for these services is due to the belief that these services primarily benefit the community at large, and as such are providing a direct benefit to residents and the community. The Parks and Recreation Department recovers approximately 54% of its direct costs, which is slightly above the average seen in other jurisdictions. This cost recovery percentage equates to an annual subsidy of approximately \$4.4 million. In order to assess cost recovery, the project team compared FY24 budgeted expenditures with FY22 actual revenue to assess the direct cost recovery. The following table shows by program: expenditures, revenue, and the resulting cost recovery percentage.

Table 17: Annual Parks & Recreation Program Cost Recovery – Direct Costs

Program	Revenue	Budget	Difference	Cost Recovery %
Cultural Events	\$1,221	\$437,794	(\$436,573)	0.28%
Facilities	\$203,173	\$390,211	(\$187,038)	52%
Youth Teen Recreation	\$854,411	\$1,703,251	(\$848,840)	50%
Senior Center	\$70,129	\$812,264	(\$742,135)	9%
Youth and Teen Programs	\$0	\$278,895	(\$278,895)	0%
Neighborhood Events	\$0	\$92,872	(\$92,872)	0%
Park Facilities	\$195,207	\$1,270,364	(\$1,075,157)	15%
BBF Golf Course	\$602,779	\$642,342	(\$39,563)	94%
Sports Center Operations	\$2,796,329	\$2,840,279	(\$43,950)	98%
Outdoor Recreation	\$439,717	\$1,086,993	(\$647,276)	40%
Total	\$5,162,966	\$9,555,265	(\$4,392,299)	54%

The primary contributor to the Department’s deficit is Park Facilities at \$1.1 million; followed by ‘Youth Teen Recreation’ and ‘Senior Center’ at \$849,000 and \$742,000, respectively. These large differences align with programs which offer a higher community benefit, as such, they are subsidized. While the programs which have a more individual benefit (BBF Golf Course, Sports Center, etc.) have less of a difference and their individual cost recovery percentages are closer to 100%.

Cost Recovery Analysis – Direct & Indirect Expenses

In the previous section, the cost recovery only incorporated direct budgeted expenditures for the Department. However, various indirect costs are associated with the daily operations within the Department. The following dot points summarize the indirect cost components included in this analysis:

- **Citywide:** consists of indirect costs from other City departments, such as, Finance, Human Resources, City Manager, etc., who do not deal directly with recreation fees but do support the staff who spend direct time on fees.
- **Departmental / Administrative:** consists of indirect support from the administrative programs within the Parks and Recreation Department who provide administrative and managerial support to staff who spend direct time on fees.
- **Parks & Recreation Maintenance:** consists of costs from programs which act as budgetary centers for the continued maintenance and upkeep of open spaces and facilities.

The result of adding the direct and indirect costs together creates “fully burdened” expenditures, allowing for a more accurate comparison of cost recovery. The following table shows the cost recovery percentages at the programmatic level based upon comparing FY22 Actual Revenue to the calculated “fully burdened” expenditures.

Table 18: Annual Parks & Recreation Program Cost Recovery – Total Costs

Program	Revenue	Direct & Indirect Exp	Difference	Cost Recovery %
Cultural Events	\$1,221	\$768,430	(\$767,209)	0.16%
Facilities	\$203,173	\$802,246	(\$599,073)	25%
Youth Teen Recreation	\$854,411	\$2,827,397	(\$1,972,986)	30%
Senior Center	\$70,129	\$1,437,067	(\$1,366,938)	5%
Youth and Teen Programs	\$0	\$503,414	(\$503,414)	0%
Neighborhood Events	\$0	\$179,317	(\$179,317)	0%
Park Facilities	\$195,207	\$2,536,875	(\$2,341,668)	8%
BBF Golf Course	\$602,779	\$1,217,291	(\$614,512)	50%
Sports Center Operations	\$2,796,329	\$5,116,163	(\$2,319,834)	55%
Outdoor Recreation	\$439,717	\$1,880,645	(\$1,440,928)	23%
Total	\$5,162,966	\$17,268,845	(\$12,105,879)	30%

With the inclusion of indirect expenses, the Department’s cost recovery percentage decreases from 54% to 30% and the dollar value of the deficit increases from \$4.4 million to \$12.1 million. At \$2.3 million each, Park Facilities and Sports Center Operations are the largest contributors to the Department’s deficit. Since both programs have fees which are primarily based on market-rate it is imperative that staff and management evaluate these

fees and adjust appropriately to not only align with established cost recovery policies and targets but also to lessen the cost recovery gap.

Summary

Certain Parks and Recreation programs tend to achieve higher cost recovery (i.e., rentals and Golf Course); whereas other programs (i.e., neighborhood events and senior activities), due to their benefit to the community, have lower cost recovery. The following table compares both cost recovery percentages at the programmatic level.

Table 19: Programmatic Cost Recovery Comparison

Program	Direct Exp Cost Recovery %	Direct & Indirect Exp Cost Recovery %
Cultural Events	0.28%	0.16%
Facilities	52%	25%
Youth Teen Recreation	50%	30%
Senior Center	9%	5%
Youth and Teen Programs	0%	0%
Neighborhood Events	0%	0%
Park Facilities	15%	8%
BBF Golf Course	94%	50%
Sports Center Operations	98%	55%
Outdoor Recreation	40%	23%
Total	54%	30%

By incorporating the indirect costs associated with parks and recreation operations the Departmental cost recovery percentage of 54% decreases to 30%, which is within the typical cost recovery range of 20% – 50%. The following dot points provide a summary of each programs cost recovery comparison:

- **Cultural Events** recovers 0.28% of its costs providing an annual subsidy of \$437,000 in relation to its direct costs. When indirect costs are factored in this program recovers 0.16% off its costs providing an annual subsidy of \$767,000.
- **Facilities** recovers 52% of its costs providing an annual subsidy of \$187,000 in relation to its direct costs. When indirect costs are factored in this program recovers 25% off its costs providing an annual subsidy of \$599,000.
- **Youth Teen Recreation** recovers 50% of its costs providing an annual subsidy of \$848,000 in relation to its direct costs. When indirect costs are factored in this program recovers 30% off its costs providing an annual subsidy of \$1.97 million.

- **Senior Center** recovers 9% of its costs providing an annual subsidy of \$742,000 in relation to its direct costs. When indirect costs are factored in this program recovers 5% off its costs providing an annual subsidy of \$1.4 million.
- **Youth and Teen Programs** recovers 0% of its costs providing an annual subsidy of \$279,000 in relation to its direct costs. When indirect costs are factored in this program recovers 0% off its costs providing an annual subsidy of \$503,000.
- **Neighborhood Events** recovers 0% of its costs providing an annual subsidy of \$93,000 in relation to its direct costs. When indirect costs are factored in this program recovers 0% off its costs providing an annual subsidy of \$179,000.
- **Park Facilities** recovers 15% of its costs providing an annual subsidy of \$1.1 million in relation to its direct costs. When indirect costs are factored in this program recovers 8% off its costs providing an annual subsidy of \$2.3 million.
- **Blackberry Farms Golf Course** recovers 94% of its costs providing an annual subsidy of \$40,000 in relation to its direct costs. When indirect costs are factored in this program recovers 50% off its costs providing an annual subsidy of \$615,000
- **Sports Center Operations** recovers 98% of its costs providing an annual subsidy of \$44,000 in relation to its direct costs. When indirect costs are factored in this program recovers 55% off its costs providing an annual subsidy of \$2.3 million.
- **Outdoor Recreation** recovers 40% of its costs providing an annual subsidy of \$647,000 in relation to its direct costs. When indirect costs are factored in this program recovers 23% off its costs providing an annual subsidy of \$1.4 million.

Overall, the Department should continue their practice of evaluating cost recovery levels. The nature of Parks and Recreation services means that fee structures are dynamic, adjusting to economic shifts and public demand. Administrators often develop and approve fee increases, with an aim to maintain the quality and accessibility of park facilities and recreational services. Fee adjustments must balance affordability for users with generating enough revenue to support ongoing operations and improvements. Program and city management continuously navigate this cycle, considering factors like inflation, facility upgrades, and program popularity to ensure the long-term success of parks and recreation programs and services in the community.

10. Development Services Surcharges

There are two typical surcharges assessed as part of the development review process – General Plan Maintenance Fee and Technology fee. Currently, the City of Cupertino charges a tiered General Plan Maintenance fee; and does not charge a Technology fee. As part of this study the City requested the project team calculate the full cost of permit-related technology services for the City. The following subsections discuss the calculation of the General Plan Maintenance Fee and Technology Fee.

General Plan Maintenance Fee

A General Plan Maintenance fee is meant to account for updates to the general plan, zoning ordinance, housing elements, and other long-range planning activities that are part of the larger General Plan.

The General Plan Maintenance fee is governed by Government Code Section 66014(b) which states that fees “may include the costs reasonably necessary to prepare and revise the plans and policies that a local agency is required to adopt before it can make any necessary findings and recommendations.” This code states that fees can be charged against zoning changes, zoning variances, use permits, building inspections, and filing applications.

More typically, the fee is charged during the building permit phase so as to ensure any development project, which gets to that phase, makes enough of an impact to require the need for an update to the Zoning Code or the General Plan. This fee should only be applied to major building permits (i.e., new or remodel / tenant improvements) rather than standalone permits for water heaters or electrical outlets.

The three most common methodologies for assessing a General Plan Maintenance fee are:

- **Cost Per Square Foot:** the fee is assessed based upon the total potential square footage based upon which it would be assessed.
- **Percentage of Valuation:** the fee is assessed based upon the total project valuation.
- **Percentage of Building Permit Fee:** the fee is assessed as a percentage of the total building permit fee assessed to a project.

The project team calculated and evaluated the full cost of General Plan Maintenance based upon all three methodologies.

1 Annual Long Term Planning Costs

The City of Cupertino has a Long-Term Planning cost center housed within their Planning Division. This Division houses staff dedicated to making updates to the City’s General Plan and Housing Element. In order to determine the full cost of Long Term Planning, the project team calculated the full cost associated with the division, including direct and indirect costs. The following table shows cost component the full annual cost associated with Long Term Planning:

Table 20: Annual Cost – Long-Term Planning

Position	Total Cost
Direct Costs	\$982,428
Indirect Costs	\$201,639
Annual Cost	\$1,184,067

Direct costs consist of salaries and benefits associated with division staff, as well as divisional services and supplies. The indirect costs account for managerial and administrative support provided by other Community Development programs, as well as citywide overhead. The roughly \$1.18 million in annual division cost was used as the numerator while calculating the three options.

2 General Plan Maintenance Full Cost Calculation

Currently, the City assesses its General Plan Maintenance fee based on project square footage by occupancy type (All Non-Residential and Multi-Family, Residential Single Family, and General Plan Office Allocation). The project team calculated full cost General Plan Maintenance fee options based on the three most common methodologies noted previously. The following table shows General Plan Maintenance costs based on total square footage, total valuation, and total building permit revenue.

Table 21: General Plan Maintenance Calculation

Category	Total Square Footage	Total Valuation	Total Building Permit Revenue
Total Annual Cost	\$1,184,067	\$1,184,067	\$1,184,067
General Plan Fee Basis	788,270	\$276,621,670	\$4,337,761
General Plan Maintenance Fee	\$1.50	0.43%	27%

If the City wishes to continue using the square footage methodology the full cost fee would be \$1.50 per square foot. The City could simplify its current fee structure and use the singular rate of \$1.5 per square foot, or proportionately reduce the \$1.50 based on

occupancy type. Alternatively, the City could look at changing its methodology, and implementing either a fee based on project valuation (0.43%) or building permit cost (27%).

3 Comparison to Surveyed Jurisdictions

As part of this analysis, the project team conducted a comparative survey of other local jurisdictions and their assessment of the General Plan Maintenance Fee. Like other comparative efforts, the survey below simply shows the fees charged by the jurisdiction and does not include the basis upon which the other jurisdictions calculated or developed their fee. The following table shows the results of this comparative analysis:

Table 22: General Plan Maintenance Fee – Comparative Survey

Jurisdiction	Fee Amount
Milpitas	5% of Building Permit
Mountain View	0.26% of Building Valuation
Palo Alto	0.00117% of Building Valuation
Santa Clara	12.39% of Building Permit & Plan Check Fee
Sunnyvale	0.15% of Building Valuation

The General Plan Maintenance fees charged by surveyed jurisdictions are either based on building valuation or building permit. None of the surveyed jurisdictions charge fees like Cupertino - based on square footage.

Technology Surcharge Fee

A Technology Fee allows the City to support the costs associated with the City’s permitting system, staff time for managing the systems, acquiring the system, mobile devices used for permitting, etc. The City currently does not assess this fee.

The project team used the annual technology costs of the City’s permit tracking system and divided that by the prior year’s total annual revenue for Building, Planning, and Public Works permits and applications. The following table shows this calculation:

Table 23: Technology Fee Calculation

Category	Amount
Total Technology Annual Cost	\$372,860
Total Projected Development Annual Cost	\$6,406,653
Technology Fee as % of Permit Fee	5.8%

Based upon this calculation, the City’s full cost Technology fee would be 5.8% of the permit fee. Therefore, if a permit fee was \$100, the Technology fee collected would be \$5.80; whereas if a permit fee was \$1,000; the Technology fee collected would be \$58.

This type of structure enables the Technology fee to be more proportionately distributed based upon the projects and their impact upon the system.

As part of this analysis, the project team conducted a comparative survey of other local jurisdictions and their assessment of a Technology Fee. Like other comparative efforts, the survey below simply shows the fees charged by the jurisdiction and does not include the basis upon which the other jurisdictions calculated or developed their fee. The following table shows the results of this comparative analysis:

Table 24: Technology Fee – Comparative Survey

Jurisdiction	Fee Amount
Milpitas	3.8% of Permit Fee
Mountain View	4.0% of Permit Fee
Santa Clara	3.37% of Permit Fee
Sunnyvale	5.00% of Permit Fee
Palo Alto	N/A

With the exception of Palo Alto, which does not individually charge a technology fee, all surveyed jurisdictions charge their technology fee as a percentage of the permit. The City of Sunnyvale at 5% most closely matches the City's full cost calculated at 5.8%.

Surcharge Funds

It is a best practice to collect and account for General Plan Maintenance and Technology surcharges in separate accounts. The City of Cupertino already follows this best practice for General Plan Maintenance and should continue to collect these fees separately, along with establishing a fund for fees collected in association with the proposed Technology fee.

11. Cost Recovery Considerations

The following sections provide guidance regarding how and where to increase fees, determine annual update factors, and develop cost recovery policies and procedures.

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.
- **Immediate Increase to Full Cost Recovery:** For fees that show an under-collection for costs of services provided, the City may decide to increase the fee to either (1) full cost recovery, or (2) the policy-driven fee cost recovery level of less than 100% of cost recovery.
- **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 to either (1) full cost recovery, or (2) the policy-driven fee cost recovery level of less than 100% of cost recovery.

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 be in compliance. 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.

Annual Adjustments

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.

The City of Cupertino already utilizes an annual update factor, that is based on the Consumer Price Index (CPI). This practice should continue to ensure that the City continues to achieve its expected cost recovery goals.

Policies and Procedures

This study has identified 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. 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 ranges and discuss the benefits associated with developing cost recovery goals and procedures for achieving and increasing cost recovery.

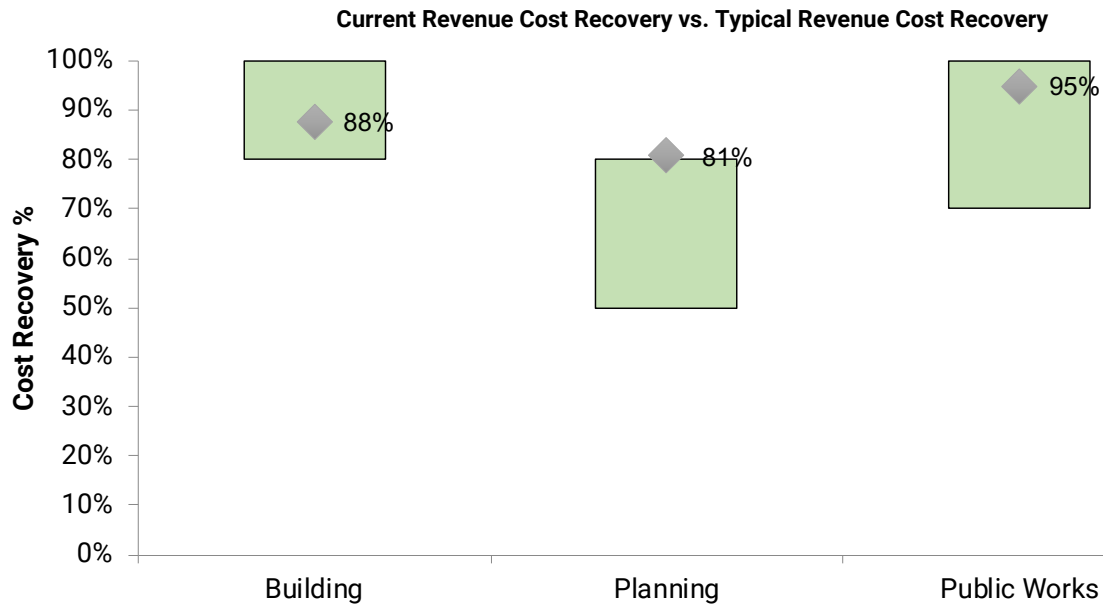
1 Typical Cost Recovery

The Matrix Consulting Group has extensive experience in analyzing local government operations across the United States and has calculated typical cost recovery ranges. The following table outlines these cost recovery ranges by major service area.

Table 25: Typical Cost Recovery Ranges by Major Service Area

Service Areas	Typical Cost Recovery Ranges
Building	80-100%
Planning	50-80%
Public Works	70-100%

Information presented in the table above is based on the Matrix Consulting Group’s experience in analyzing local governments’ operations across the United States and within California and reflects *typical* cost recovery ranges observed by local adopting authorities. The following graph depicts how Cupertino compares to industry cost recovery range standards.



Public Works and Building fall within the typical cost recovery ranges, while Planning at 81% is just above the typical cost recovery range.

2 Development of Cost Recovery Policies and Procedures

The City should review the current cost recovery levels and adopt a formal policy regarding cost recovery. This policy can be general in nature and can apply broadly to the City as a whole, or to each department and division specifically. A department specific cost recovery policy would allow the City to better control the cost recovery associated with different types of services being provided and the community benefit received.

Appendix – Comparative Survey

As part of the Cost of Services (User Fee) Study for the City of Cupertino, the Matrix Consulting Group conducted a comparative survey of various fees citywide. The City identified five (5) California jurisdictions to be included in the comparative survey: Milpitas, Mountain View, Palo Alto, Santa Clara, and Sunnyvale. The project team then reviewed public documents (i.e., agenda items, staff reports, budgets, fee schedules, and ordinances), and or contacted jurisdictions to get comparative information.

The following sections outline key factors to consider when reviewing the comparative survey, as well as graphical comparisons of current fees and total calculated costs for various permits issued or services provided.

Factors to Consider When Reviewing Comparative Survey Results

While this report provides 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. A comparative survey does not provide adequate information regarding the relationship of a jurisdiction’s cost to its fees. The following points highlight various factors to consider when reviewing comparative survey results.

- **Economic Factors:** Three important economic factors to consider when comparing fees across multiple jurisdictions are: population, budget, and workforce size. These factors can impact how and when fees are administered, as a jurisdiction with a smaller population may choose to not charge a fee, or a smaller workforce size may inhibit their ability to administer a fee.
- **Recency Factors:** Recency is two-fold; when did a jurisdiction last update their fee schedule and when did they last undergo a comprehensive fee analysis. It is important to note that even though jurisdictions may have conducted fee studies, fees are not always adopted at full cost recovery. The comparative results only show the adopted fee for the surveyed jurisdiction, not necessarily the full cost associated with the comparable service.
- **Cost Recovery Factors:** Each jurisdiction and its fees are different, and many are not based on the actual cost of providing services as various policy decision may subsidize services.

- **Fee Variance Factors:** The same “fee” with the same name may include different 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 factors noted, 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 supporting information, rather than a tool for establishing an acceptable price point for services.

The following two subsections provide contextual information regarding the jurisdictions included in the comparative survey.

1 Economic Factors

To provide additional context to the comparative survey information, the project team collected economic factors for the jurisdictions included. The following tables rank each jurisdiction from smallest to largest based on population, budget, and FTE.

Table 26: Ranking of Jurisdictions by Population

Jurisdiction	Population ⁷
Cupertino	60,381
Palo Alto	66,680
Milpitas	79,066
Mountain View	81,516
Santa Clara	127,151
Sunnyvale	152,258

Table 27: Ranking of Jurisdictions by Citywide Total Budget⁸

Jurisdiction	FY24 Budget
Cupertino	\$121,765,857
Milpitas	\$231,719,202
Sunnyvale	\$308,422,779
Mountain View	\$477,721,195
Palo Alto	\$965,945,000
Santa Clara	\$11,224,306,187

⁷ The population values used are from the 2021US Census.

⁸ To ensure appropriate comparisons, full operating budget (all funds) has been used for all jurisdictions.

Table 28: Ranking of Jurisdictions by FTE

Jurisdiction	FY24 FTE
Cupertino	212
Milpitas	455
Mountain View	698
Sunnyvale	936
Palo Alto	1,018
Santa Clara	22,205

When compared to the surveyed jurisdictions the City of Cupertino ranks the lowest in terms of budget, staffing, and population. Milpitas, Sunnyvale, and Mountain View tend to be in the bottom middle, while Santa Clara tends to be the highest in most categories.

2 Recency Factor

While the previous comparative information provides some perspective when comparing the City of Cupertino’s population, budget, and staffing with surveyed jurisdictions, other key factors to consider are when a jurisdiction’s fee schedule was last updated and when the last comprehensive analysis was completed. The following tables detail when each surveyed jurisdiction last updated their fee schedule and last conducted a fee study.

Table 29: Last Fee Schedule Updated

Jurisdiction	Response
Milpitas	2023
Mountain View	2023
Palo Alto	2023
Santa Clara	2023
Sunnyvale	2023

Table 30: Last Fee Study Conducted

Jurisdiction	Response
Sunnyvale	2010
Palo Alto	2013
Mountain View	2018
Milpitas	2019
Santa Clara	2022

All of the surveyed jurisdictions have published new fees within the past year; however, of those surveyed only Santa Clara has conducted a fee study in the last five years.

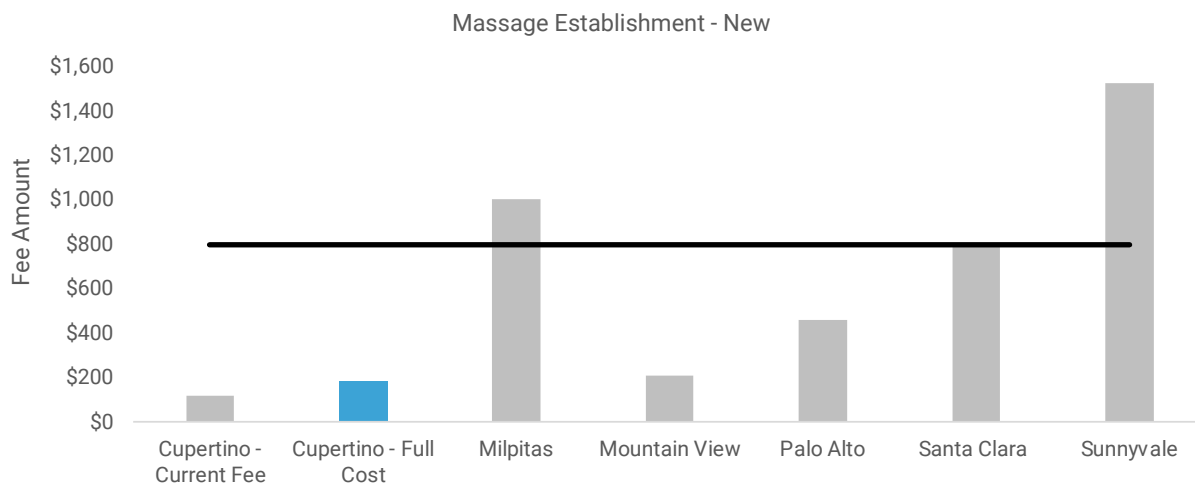
It is important to note that even though jurisdictions may have conducted fee studies, fees are not always adopted at full cost recovery. The following comparative analysis will only show the adopted fees for the surveyed jurisdictions, not necessarily the full cost associated with the comparable service.

Comparative Survey Results

As part of this study, the project team conducted a survey of how the Cupertino’s current user fees and calculated full cost compare to other identified jurisdictions. The following subsections summarize the analysis.

1 Message Establishment - New

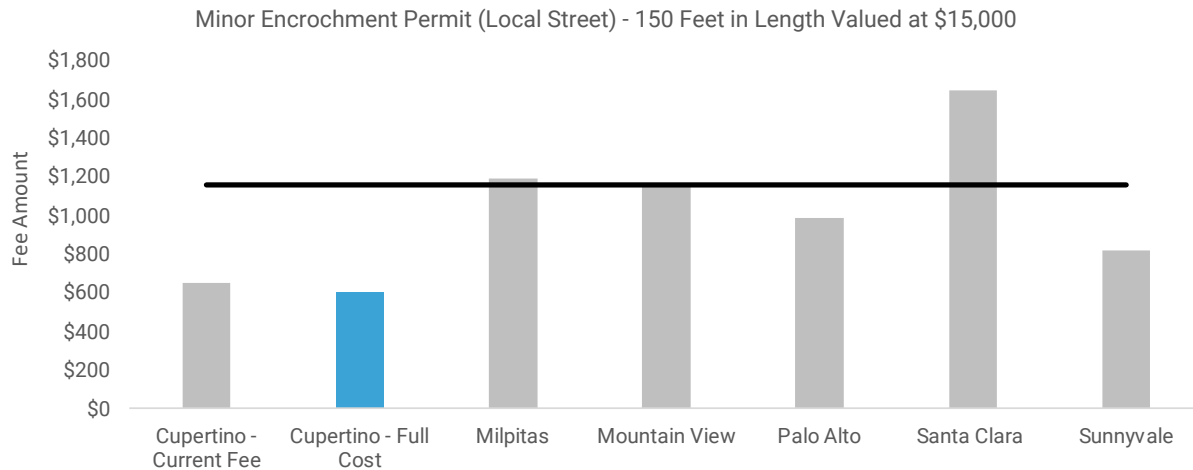
The current fee for a new Message Establishment permit is \$113 per permit. Through this study, the project team calculated the full cost of this permit to be \$180. The following graph compares Cupertino’s current fee and calculated full cost to those of the surrounding jurisdictions.



The current fee and calculated full cost are well below the jurisdictional average of \$795. Cupertino’s current fee is closest to Mountain View’s fee at \$204. Sunnyvale (\$1,522) and Milpitas (\$1,000) both charge fees above the jurisdictional average.

2 Minor Encroachment Permit (Local Street)

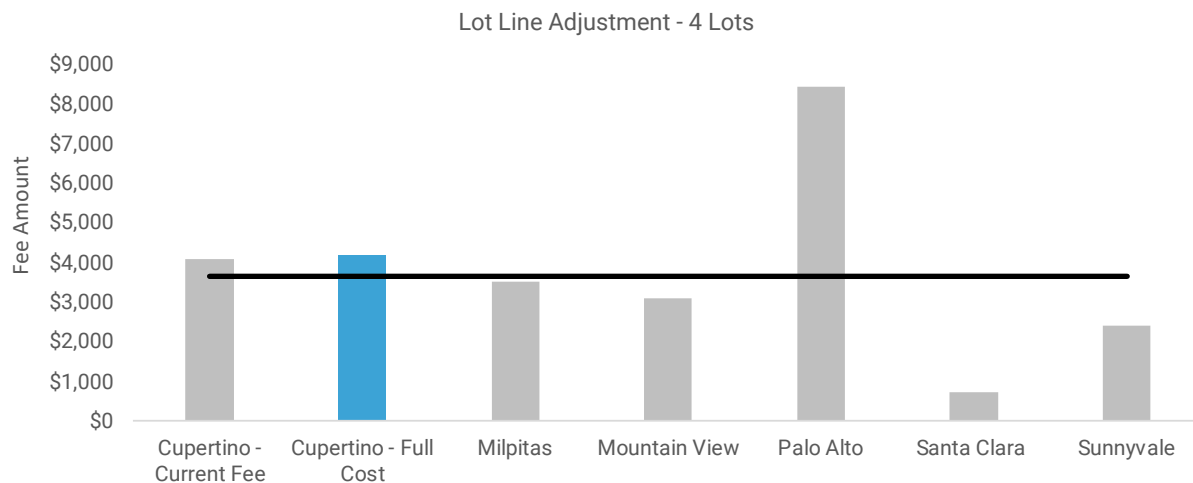
The current fee for a 150-foot Minor Encroachment permit of a local street valued at \$15,000 is \$647 per permit. Through this study, the project team calculated the full cost of this permit to be \$602. The following graph compares Cupertino’s current fee and calculated full cost to those of the surrounding jurisdictions.



The current fee and calculated full cost are well below the jurisdictional average of \$1,158. Cupertino’s current fee is closest to Sunnyvale’s fee at \$817. Santa Clara charges the highest fee at \$1,647.

3 Lot Line Adjustment

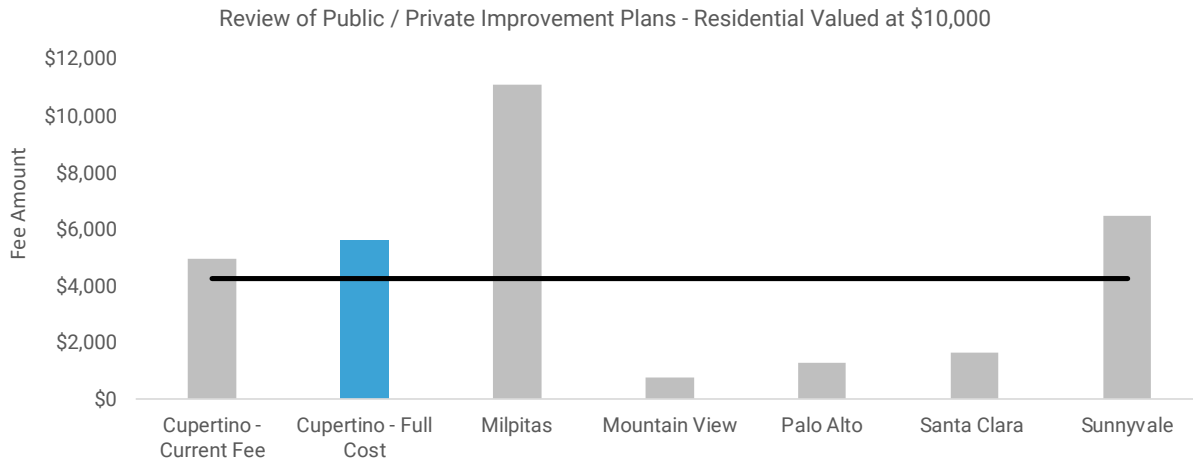
The current fee for a Lot Line Adjustment of four lots is \$4,069 per permit. Through this study, the project team calculated the full cost of this permit to be \$4,173. The following graph compares Cupertino’s current fee and calculated full cost to those of the surrounding jurisdictions.



The current fee and calculated full cost are slightly above the jurisdictional average of \$3,628. Cupertino’s current fee is closest to Milpitas’ fee at \$3,500. Palo Alto doesn’t have a specific fee for lot line adjustment, however, for 15 hours of plan check and inspection (which is the amount of time used to calculate Cupertino’s full cost) Palo Alto charges \$8,415.

4 Review of Public / Private Improvement Plans

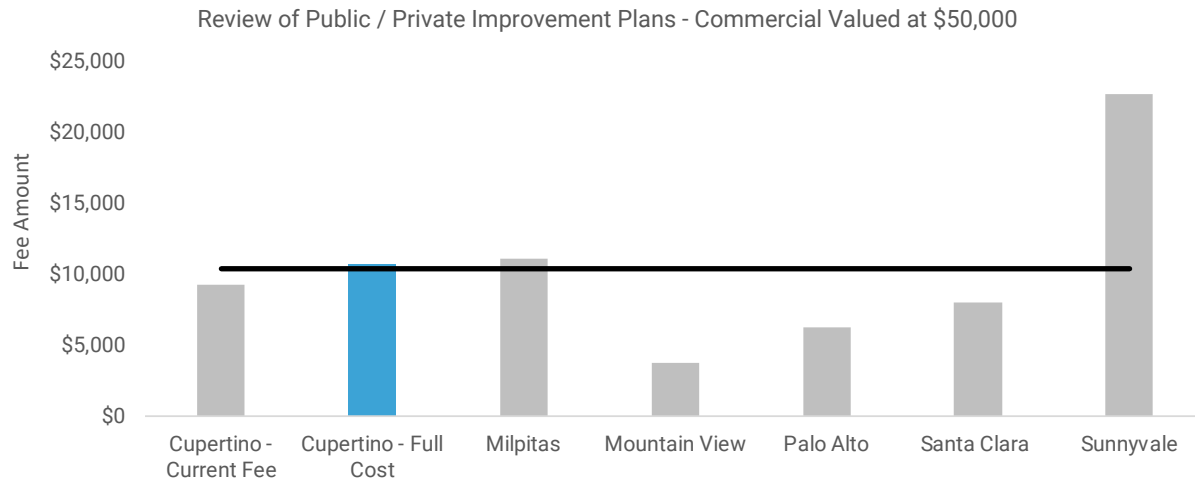
The current fee for a Review of Public / Private Improvement plans for a residential project valued at \$10,000 is \$4,947 per permit. Through this study, the project team calculated the full cost of this permit to be \$5,598. The following graph compares Cupertino’s current fee and calculated full cost to those of the surrounding jurisdictions.



The current fee and calculated full cost are slightly above the jurisdictional average of \$4,239. Sunnyvale (\$6,453) and Milpitas (\$11,084) are the only comparable jurisdictions which charge more than the jurisdictional average.

5 Review of Public / Private Improvement Plans

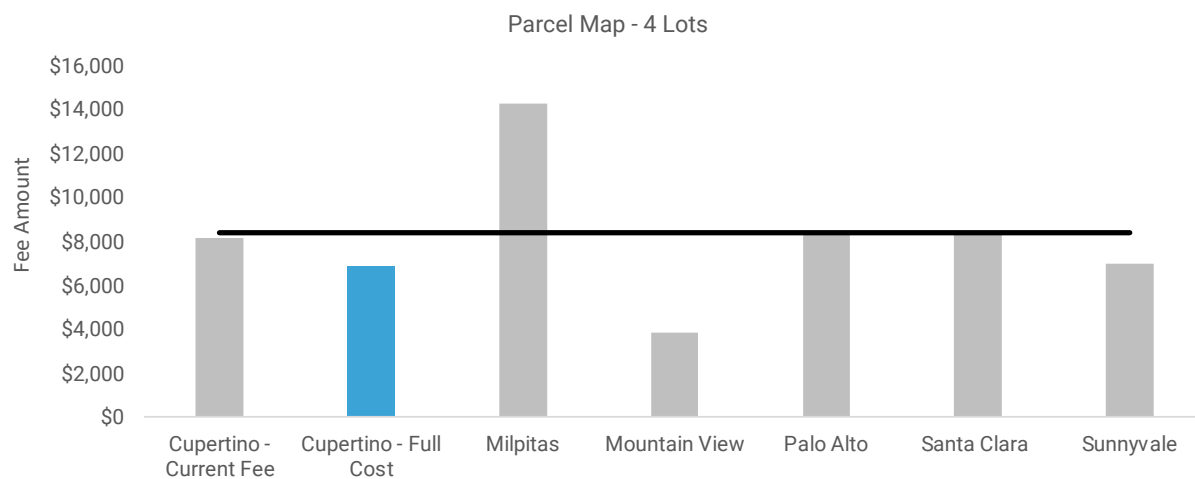
The current fee for a Review of Public / Private Improvement plans for a commercial project valued at \$50,000 is \$9,254 per permit. Through this study, the project team calculated the full cost of this permit to be \$10,621. The following graph compares Cupertino’s current fee and calculated full cost to those of the surrounding jurisdictions.



The current fee and calculated full cost are slightly above the jurisdictional average of \$10,340. Sunnyvale (\$22,627) and Milpitas (\$11,084) are the only comparable jurisdictions which charge more than the jurisdictional average.

6 Parcel Map

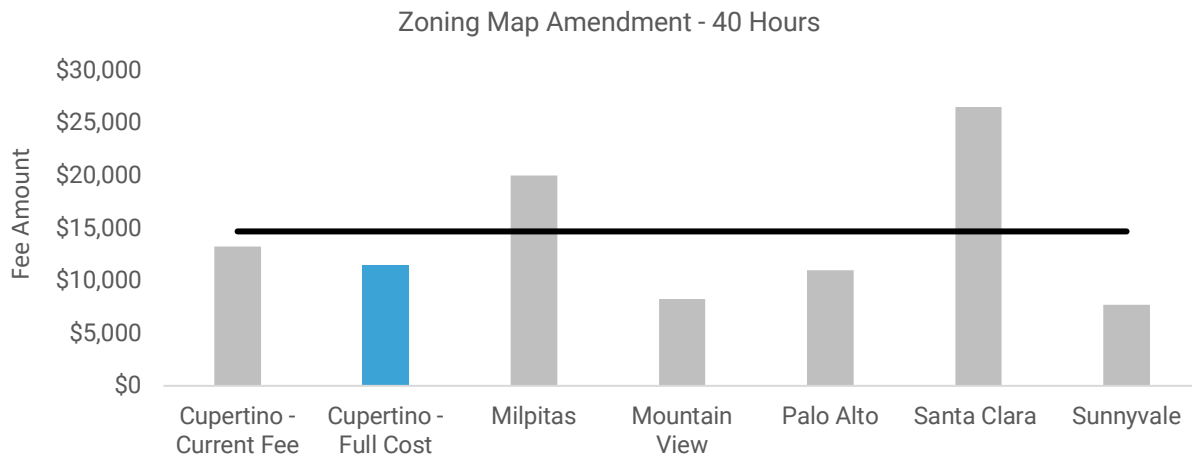
The current fee for a Parcel Map of four lots is \$8,170 per permit. Through this study, the project team calculated the full cost of this permit to be \$6,885. The following graph compares Cupertino’s current fee and calculated full cost to those of the surrounding jurisdictions.



The current fee and calculated full cost are below the jurisdictional average of \$8,370. Cupertino’s current fee is closest to Santa Clara’s fee at \$8,361, while Cupertino’s calculated full cost is closest to Sunnyvale’s fee at \$6,995. At \$14,255, Milpitas charges the highest fee.

7 Zoning Map Amendment

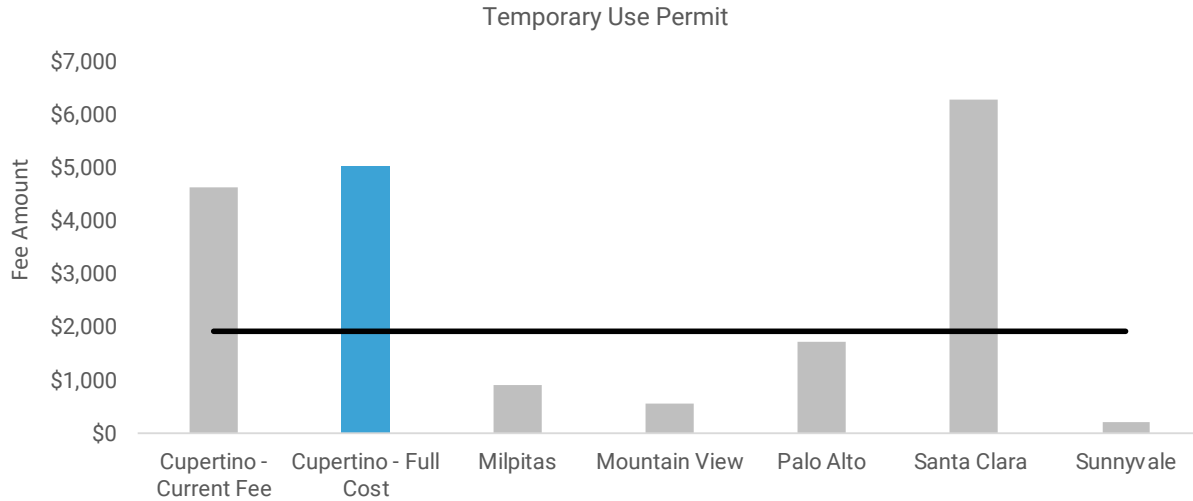
The current fee for 40 hours of Zoning Map Amendment is \$13,280. Through this study, the project team calculated the full cost of this service to be \$11,467. The following graph compares Cupertino’s current fee and calculated full cost to those of the surrounding jurisdictions.



The current and full cost is below the jurisdictional average of \$14,693. Milpitas (\$20,000) and Palo Alto (\$10,976) both charge this fee as a deposit. Of the comparable jurisdictions Santa Clara charges the most for this service at \$26,550.

8 Temporary Use Permit

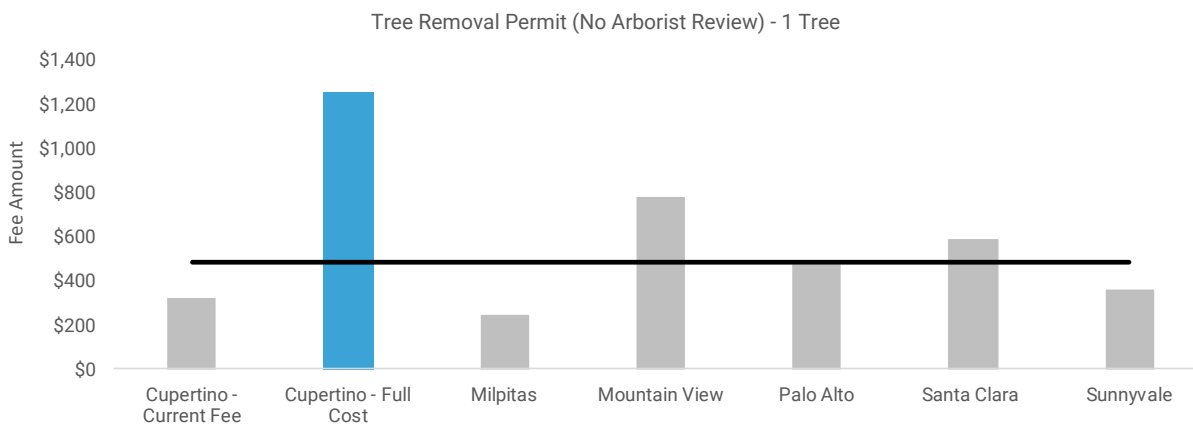
The current fee for a Temporary Use Permit is \$4,639 per permit. Through this study, the project team calculated the full cost of this permit to be \$5,030. The following graph compares Cupertino’s current fee and calculated full cost to those of the surrounding jurisdictions.



The current fee and calculated full cost are well above the jurisdictional average of \$1,927. At \$6,288, Santa Clara charges the highest fee and the closets to Cupertino’s current fee. All other jurisdictions charge below the average.

9 Tree Removal Permit – No Arborist Review

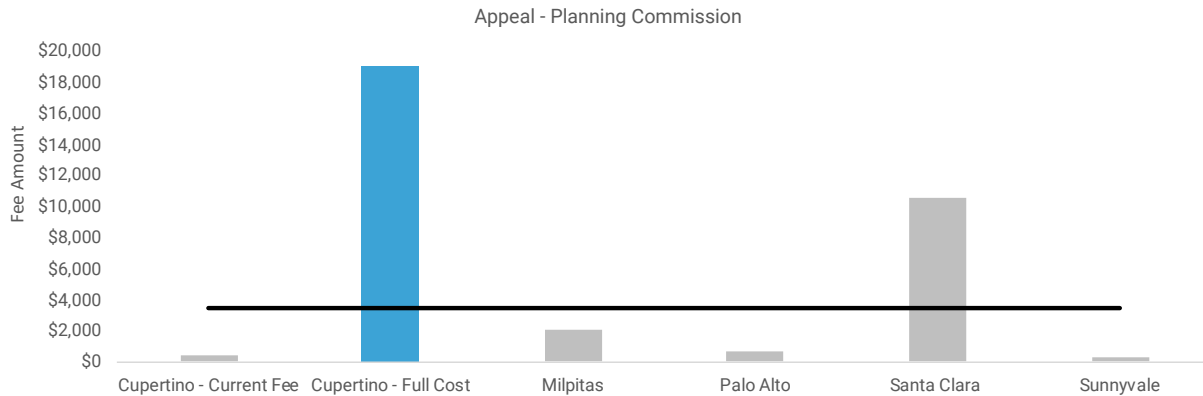
The current fee for a single Tree Removal Permit without arborist review is \$328 per permit. Through this study, the project team calculated the full cost of this permit to be \$1,260. The following graph compares Cupertino’s current fee and calculated full cost to those of the surrounding jurisdictions.



The current fee is below the jurisdictional average of \$490, while the calculated full cost is well above the average. Cupertino’s current fee is closest to what Sunnyvale charges at \$358. It should be noted that these permits are often subsidized to mitigate impacts to the community.

10 Appeal – Planning Commission

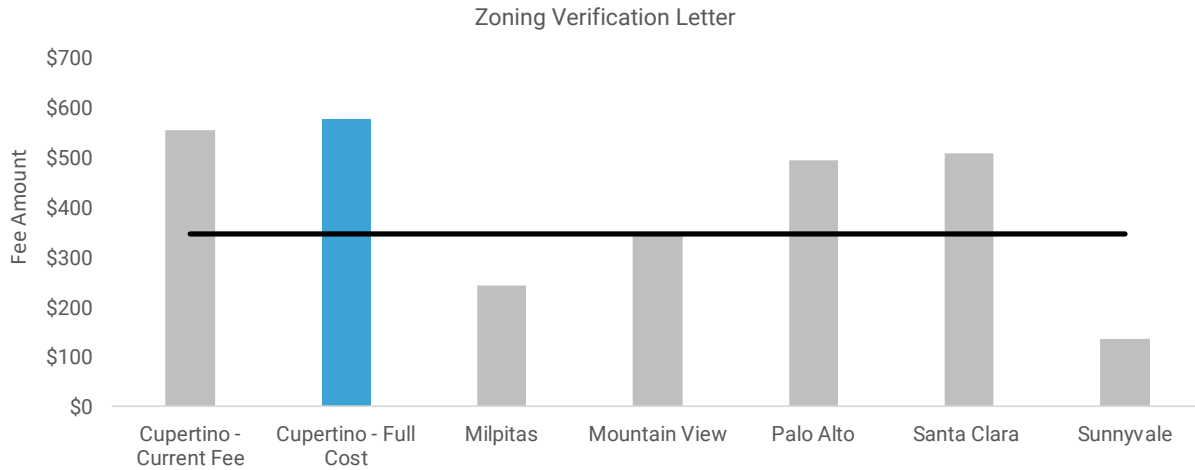
The current fee for an Appeal to the Planning Commission is \$379 per appeal. Through this study, the project team calculated the full cost of this type of appeal to be \$19,006. The following graph compares Cupertino’s current fee and calculated full cost to those of the surrounding jurisdictions.



The current fee is below the jurisdictional average of \$880, while the calculated full cost is well above the average. Cupertino’s current fee is closest to what Sunnyvale charges at \$238, while Palo Alto at \$700 charges the closest to the jurisdictional average. Of the comparable jurisdictions, Santa Clara charges the highest fee at \$10,428. There is a separate fee that they assess for appeals from non-applicant, which is significantly lower (\$523). It should be noted that these permits are often subsidized to mitigate impacts to the community.

11 Zoning Verification Letter

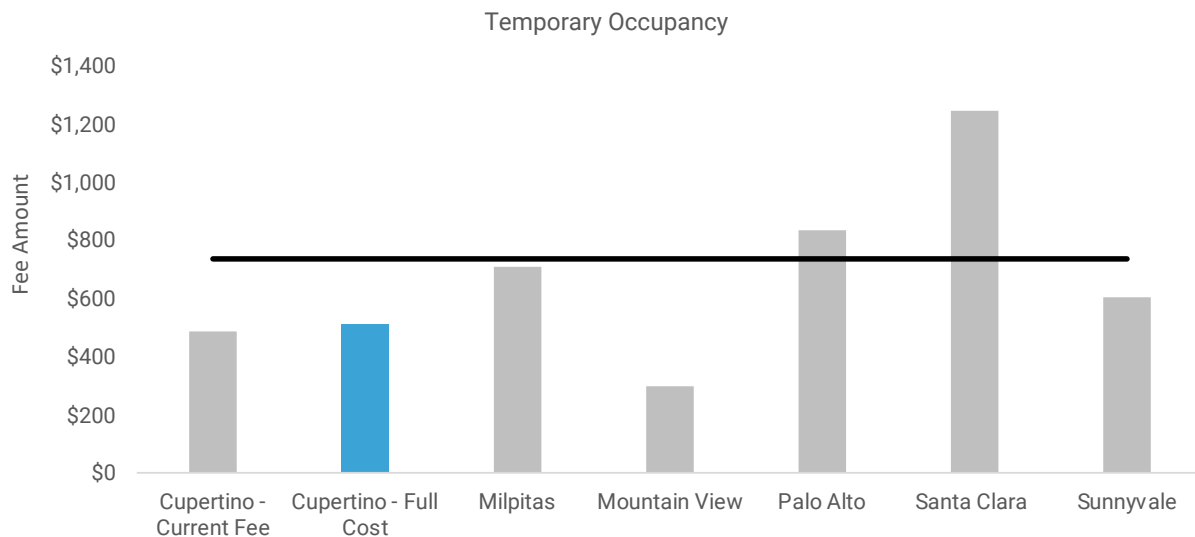
The current fee for a Zoning Verification Letter is \$555 per letter. Through this study, the project team calculated the full cost to be \$577 per letter. The following graph compares Cupertino’s current fee and calculated full cost to those of the surrounding jurisdictions.



The current fee and calculated full cost are above the jurisdictional average of \$347. Cupertino’s current fee is closest to what Santa Clara charges at \$508. Palo Alto doesn’t have a specific fee for zoning verification letters, however, for 2 hours of staff time (which is the amount of time used to calculate Cupertino’s full cost) Palo Alto charges \$495.

12 Temporary Occupancy

The current fee for a Temporary Occupancy permit is \$487. Through this study, the project team calculated the full cost to be \$511 per permit. The following graph compares Cupertino’s current fee and calculated full cost to those of the surrounding jurisdictions.

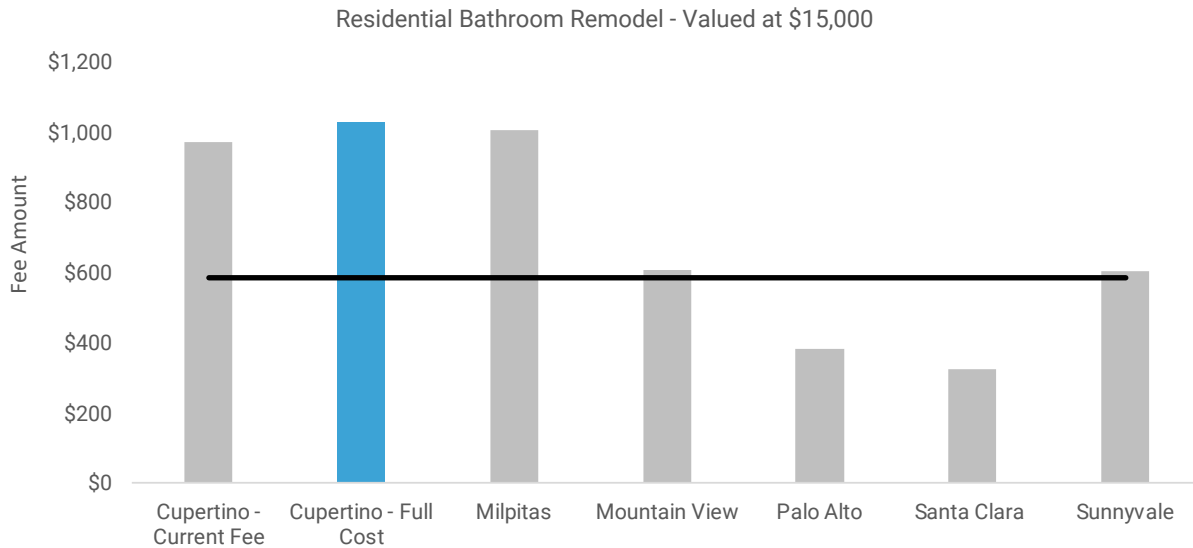


The current fee and calculated full cost are below the jurisdictional average of \$738. At \$606, Sunnyvale charges the closest to Cupertino’s current fee and full cost calculated. Mountain View doesn’t have a specific fee for temporary occupancy, however, for 2 hours

of staff time (which is the amount of time used to calculate Cupertino’s full cost) Mountain View’s fee would be \$298.

13 Residential Bathroom Remodel

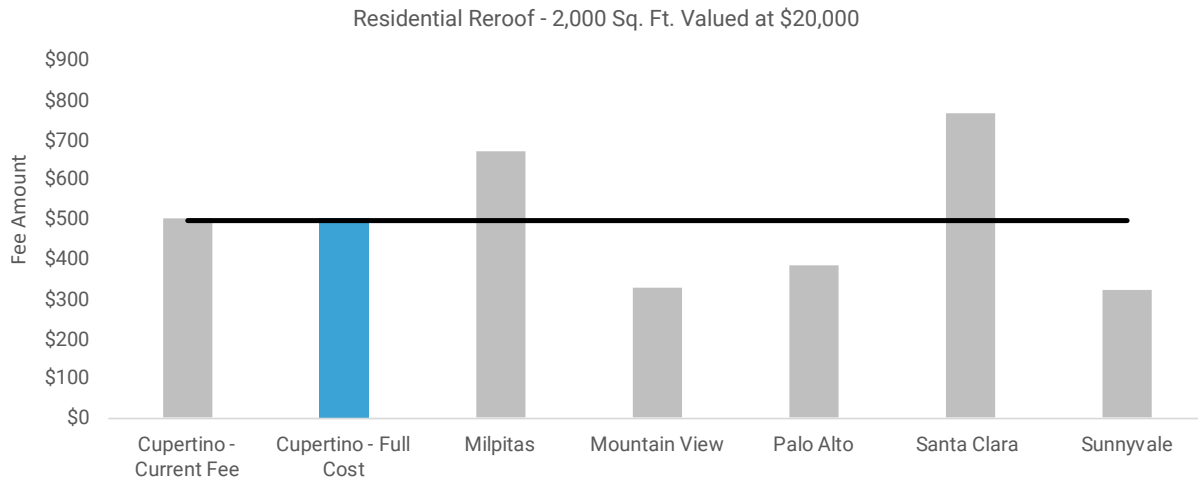
The current fee for a Residential Bathroom Remodel is \$971. Through this study, the project team calculated the full cost to be \$1,028. The following graph compares Cupertino’s current fee and calculated full cost to those of the surrounding jurisdictions.



The current fee and calculated full cost are well above the jurisdictional average of \$585. At \$1,007, Milpitas charges the closest to Cupertino’s current fee and full cost calculated. Rather than charging a flat fee, Mountain View (\$606) and Sunnyvale (\$603) charge their fees based on valuation.

14 Residential Reroof

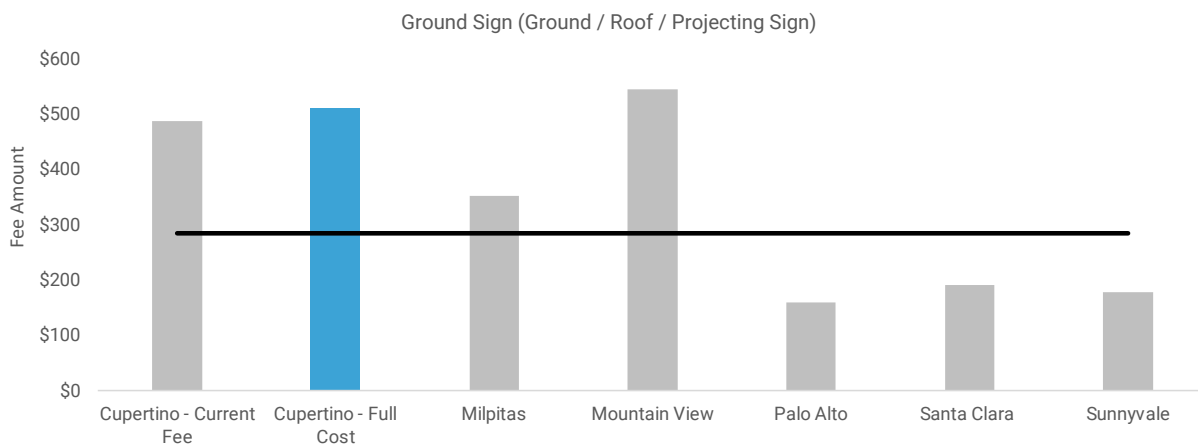
The current fee for a Residential Reroof is \$26 per 100 square feet, with a \$500 maximum fee. Through this study, the project team calculated the full cost to be \$25 per 100 square feet. The following graph compares Cupertino’s current fee and calculated full cost to those of the surrounding jurisdictions.



The current fee and calculated full cost are in-line with the jurisdictional average of \$493. Santa Clara charges the most at \$766 followed by Milpitas at \$668. All jurisdictions, with the exception of Mountain View (\$324) which charges based on valuation, charge residential reroofs as a flat fee.

15 Ground Sign

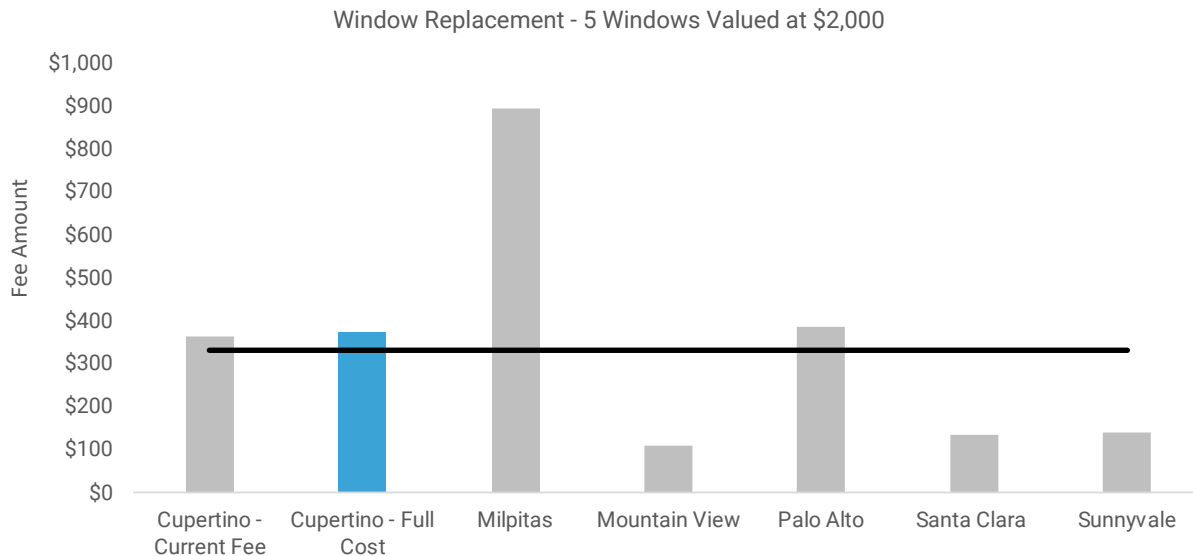
The current fee for a Ground Sign is \$487. Through this study, the project team calculated the full cost to be \$511. The following graph compares Cupertino’s current fee and calculated full cost to those of the surrounding jurisdictions.



The current fee and calculated full cost are well above the jurisdictional average of \$284. At \$544, Mountain View charges the closest to Cupertino’s current fee and full cost calculated.

16 Window Replacement

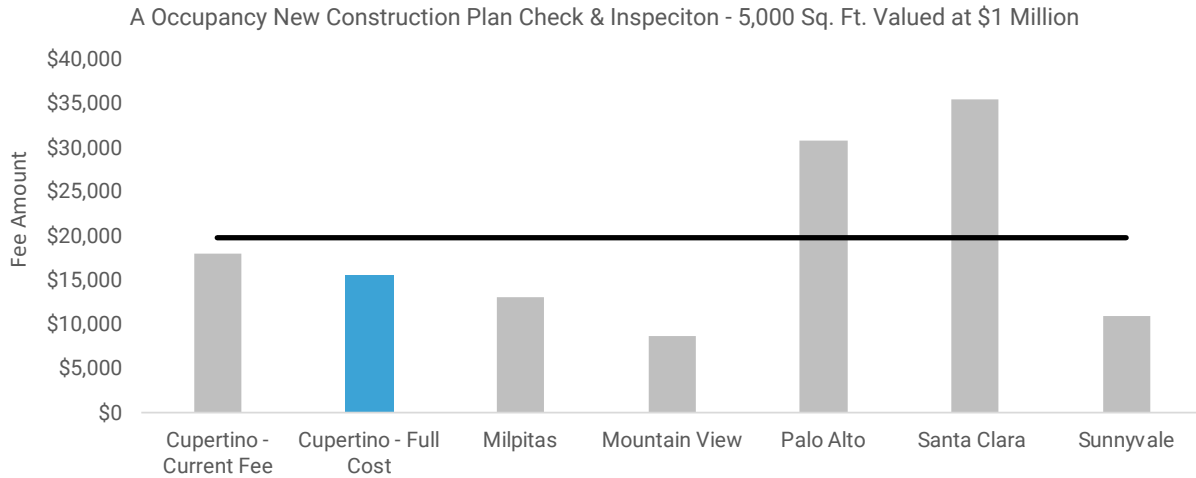
The current fee for a Window Replacement of five windows is \$364. Through this study, the project team calculated the full cost to be \$374. The following graph compares Cupertino’s current fee and calculated full cost to those of the surrounding jurisdictions.



The current fee and calculated full cost are in alignment with the jurisdictional average of \$332. Milpitas charges the most at \$893. Unlike Cupertino, Sunnyvale (\$140), Santa Clara (\$134), and Mountain View (\$107) all charge their fees based on valuation.

17 A-Occupancy New Construction Plan Check & Inspection – 5,000 Square Feet

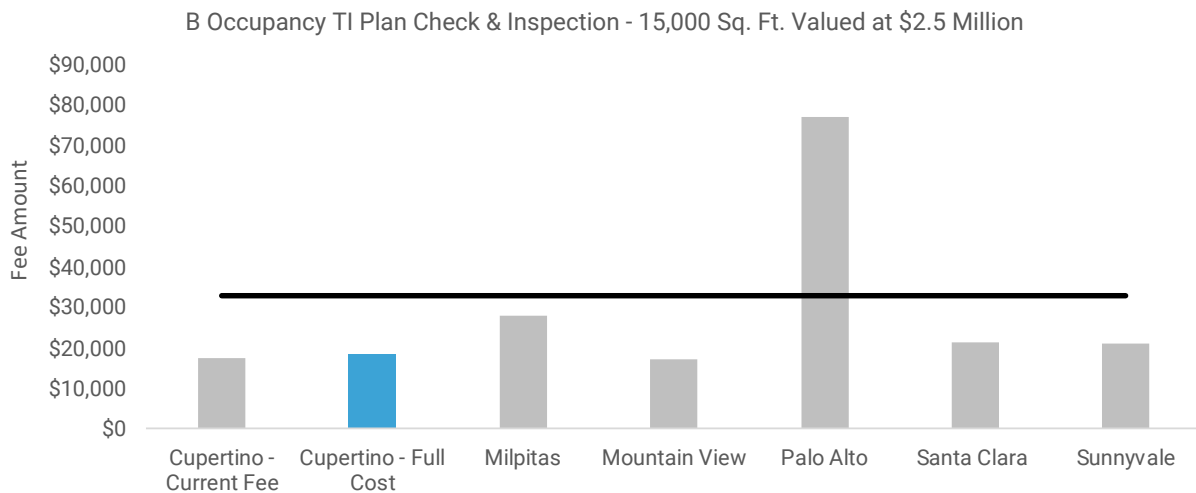
The current fee for a 5,000 square foot A-Occupancy new construction plan check and inspection is \$17,950. Through this study, the project team calculated the full cost to be \$15,599. The following graph compares Cupertino’s current fee and calculated full cost to those of the surrounding jurisdictions.



The current fee and calculated full cost are below the jurisdictional average of \$19,811. Santa Clara (\$35,500) and Palo Alto (\$30,800) charge the highest fees and are the only jurisdictions which charge above the average.

18 B-Occupancy TI Plan Check & Inspection – 15,000 Square Feet

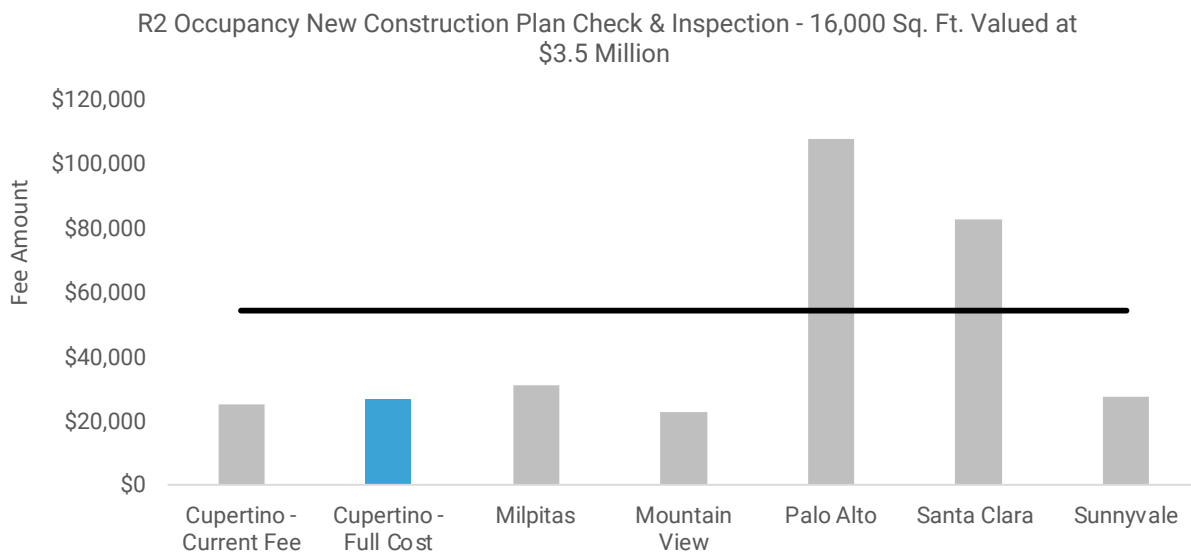
The current fee for a 15,000 square foot B-Occupancy tenant improvement plan check and inspection is \$17,577. Through this study, the project team calculated the full cost to be \$18,539. The following graph compares Cupertino’s current fee and calculated full cost to those of the surrounding jurisdictions.



The current fee and calculated full cost are significantly below the jurisdictional average of \$32,950. Palo Alto at \$77,000 charge the highest fee and is the only jurisdictions which charge above the average.

19 R2 Occupancy New Construction Plan Check & Inspection – 16,000 Square Feet

The current fee for a 16,000 square foot R2 Occupancy new construction plan check and inspection is \$17,577. Through this study, the project team calculated the full cost to be \$18,539. The following graph compares Cupertino’s current fee and calculated full cost to those of the surrounding jurisdictions.



The current fee and calculated full cost are significantly below the jurisdictional average of \$54,405. Palo Alto (\$107,800) and Santa Clara (\$82,688) charge the highest fees and are the only jurisdictions which charge above the average.

Results Summary

Overall, the City of Cupertino’s current fees are on the lower end of fees being surveyed and, in most cases, the full cost helps bring the City more in alignment with other jurisdictions. It is important to note that the results of this survey only show the fees adopted by council, not the cost recovery policy decisions for departments or a jurisdiction. As such, the results of this survey should be used as a secondary decision-making tool.