



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org

PUBLIC HEARING
April 15, 2008

**Honorable Mayor and
Members of the City Council**

Title: General Plan Maintenance Fee Increase and Annexation Fee

Location/Council District: All

Recommendation: Conduct a public hearing and upon conclusion adopt a Resolution amending the City's Fee and Charge Policy to increase the General Plan Maintenance Fee and add the new Annexation Fee.

Contact: Carol Shearly, Director, 808-5893

Presenters: Tom Pace, Long Range Planning Manager, 808-6848; Scot Mende, New Growth Manager, 808-4756

Department: Planning

Division: Long Range Planning, New Growth

Organization No: 4912, 4913

Description/Analysis

Issue: The 2030 General Plan will guide the City's transformation into becoming the "Most Livable City in America". This vision can best be achieved by keeping the General Plan "alive" with the following actions:

- Engaging the community in local and community planning;
- Keeping the vision fresh through periodic 5-year updates;
- Streamlining the environmental review process;
- Preparing opportunity sites for economic growth;
- Updating zoning regulations to support livable communities; and
- Maintaining the Housing Element.

In order to sustain the City's vision and continue the momentum that developed during the creation of the General Plan, staff is recommending an increase in the General Plan Maintenance Fee to cover the costs of ongoing implementation, monitoring, and maintenance of the General Plan.

Also, staff is proposing a new fee to recover the costs to the City of processing an annexation application, including the review, analysis, outreach, coordination with outside agencies, preparation of agreements, and other tasks required for annexations.

Policy Considerations: This report is consistent with both the City's overall Strategic Plan goal and the 2030 General Plan vision of becoming "The Most Livable City in America". It is also consistent with the Smart Growth Principles adopted by Council in 2001 and the Vision and Guiding Principles for the 2030 General Plan adopted by Council in 2005.

Environmental Considerations: Approval of fees does not constitute a "project" and is, therefore, exempt from the California Environmental Quality Act (CEQA) according to Section 15601 (b)(3) of the CEQA guidelines.

Rationale for Recommendation: The existing General Plan Maintenance Fee does not cover the entire cost of developing the new 2030 General Plan, nor the resources, including staffing, needed to implement the Plan. These efforts, and those of processing annexation applications, have historically been funded by the City's General Fund. An increase in the General Plan Maintenance Fee and a new Annexation Fee would decrease this dependence on the General Fund and provide a more reliable funding source. Further justification for the proposed fees follows:

General Plan Maintenance Fee Increase: Achieving the vision of the 2030 General Plan necessitates a proactive approach. The Plan must be kept current and relevant. For this effort to be successful, the community outreach conducted during the development of the 2030 General Plan needs to continue. Also, development regulations need to be revised to ensure they continue to support the City's vision of becoming the most livable city in America. Another approach to actively implementing the 2030 General Plan is to work with the business and development communities in preparing opportunity sites for economic development. Finally, the state-mandated Housing Element and environmental reviews must be kept current. To fund this proactive approach, staff is proposing an increase to the General Plan Maintenance Fee.

Although staff is sensitive to concerns about increasing fees during an economic downturn, the proposed fee increase would provide the resources needed to facilitate development consistent with the Goals and Policies of the 2030 General Plan at the next economic upturn. The following points expand upon this notion:

- The fee will cover the staff needed to implement the Priority Implementation Program of the 2030 General Plan, including rezoning key sites, updating the Infill Strategy, expanding the Shovel Ready Program, assessing the infrastructure needed to promote infill, and updating the Community Plans.
- The 2030 General Plan establishes the appropriate land use designations and completes the environmental review. Therefore, future development may save money by not having to pay for a General Plan amendment or environmental review.
- The funded staff not only ensures the on-going advancement towards meeting the vision and goals of the 2030 General Plan, it also decreases the

need to hire external consultants for work that can be accomplished by City employees.

- The General Plan will have to be updated every five years in order to best address the changes needed to continue towards achieving its vision for the City. The five-year updates will also prevent the need of a comprehensive update which is costly, time consuming, and usually initiated when the current General Plan is deficient and outdated. The proposed fee increase would cover these updates, but the accumulation of the funds needs to start immediately so they are in place for the first five-year update in 2013.

More information on this proposed fee is provided in Attachments 2 and 3.

Staff has also provided information on alternative fee scenarios that analyze the revenue and shortfalls resulting from excluding minor residential permits from the General Plan Maintenance Fee or a fee increase lower than that being proposed in this report. This information is provided in Attachment 4.

Annexation Fee: The proposed annexation fee is a new fee that would be used to recover the costs associated with annexations to the City, including project review and analysis, document preparation, research, site visits, neighborhood outreach, and attending hearings. The fee would also cover those activities above and beyond those required for a prezone; specifically, these tasks include review of a “plan for services”, coordination with outside agencies proposed for detachment or reorganization, preparation of a “tax share agreement”, and preparation for LAFCo hearings.

More information on the proposed fees are provided in Attachment 5.

Outreach

Outreach for the General Plan Maintenance Fee Increase includes meeting with the Sacramento Builders Exchange, the Building Industry Association, and the Downtown Sacramento Partnership. As of submittal of this report, Staff continues outreach, including presenting the proposed fees to the Development Oversight Commission on April 7, 2008.

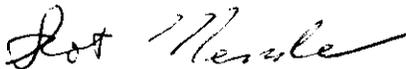
Information on the proposed annexation fee was shared with the Sacramento Building Exchange, Building Industry Association, land use attorneys, property owners, and developers. This fee has also being present to the Development Oversight Commission.

A notice of these proposed fees were mailed 14 days in advance of this Council date to the development community, members of the General Plan Advisory Committee, those who participate on the Natomas Working Group, and the Planning Commissioners.

Financial Considerations: Consistent with the City Council's adopted Fees and Charges Policy, an increase in the General Plan Maintenance Fee and a new Annexation Fee are appropriate mechanisms to reduce General Fund expenditures. The approval of the fees outlined in this report will provide the means to recover the cost of completing of the 2030 General Plan, the resources needed for the continued implementation and upkeep of the General Plan, and the costs associated with annexations.

Emerging Small Business Development (ESBD): There are no ESBD considerations with this report.

Respectfully Submitted by: 
Thomas S. Pace, Long Range Planning Manager

Respectfully Submitted by: 
Scot Mende, New Growth Manager

Approved by: 
Carol Shearly, Director of Planning

Recommendation Approved:


Ray Kerridge
City Manager

Table of Contents:

Report	pg. 1-4
Attachments	
1. Benefits of the General Plan Maintenance Fee	pg. 5
2. General Plan Maintenance Fee Cost Background	pg. 6-10
3. Alternative Fee Scenarios	pg. 11-13
4. Annexation Fee Summary	pg. 14-16
5. Resolution	pg. 17
Exhibit A- General Plan Maintenance Fee Increase and Annexation Fee	pg. 18

ATTACHMENT 1**BENEFITS OF THE GENERAL PLAN MAINTENANCE FEE**

The new 2030 General Plan expresses a vision for Sacramento to become America's most livable city. How does the City affect livability? By providing both high levels of the services the public expects from its local government, and by effectively planning the physical environment that surrounds us all. **Sacramento cannot achieve its vision for livability without a significant transformation of its blighted neighborhoods, Central Business District and commercial corridors.**

Key to this transformation is an investment in planning that:

- identifies priority public investment areas;
- plans new infrastructure and public facilities;
- streamlines development permit processes;
- reforms zoning regulations to encourage desired development;
- builds public support for development that achieves the City's vision; and
- assesses the City's vision, goals and policies every 5 years.

How does the General Plan Maintenance Fee help transform Sacramento? It:

- Pays for keeping the Vision fresh through regular 5-year updates
- Pays for project streamlining through regular 5-year master environmental reviews
- Pays for community plans that:
 - focus attention on areas of transformation
 - build community support for desired redevelopment
 - prioritize and fund infrastructure improvements and public facilities
 - rezone sites for new development
- Pays salaries of five Long Range Planning staff to support efforts above

Why must the fee be adopted now, during an economic downturn?

- Now is the time to prepare sites for the next upturn in development activity.
- Delays reduce the required revenue needed for the upcoming 5 and 10 year updates.

Shouldn't the General Fund pay for Long Range Planning?

- Growth drives the need for plan updates; permit applicants should help pay for it.
- Nearly 75% of staff costs are borne by the General Fund.

ATTACHMENT 2

GENERAL PLAN MAINTENANCE FEE COST BACKGROUND

Current Fee: \$0.59 per \$1,000 of building permit valuation

Proposed Fee: \$2.00 per \$1,000 of building permit valuation/with a maximum fee of \$20,000 on building valuation greater than \$10 Million

Justification: In 2004, a General Plan Maintenance Fee, of \$0.59 per \$1,000 of building permit valuation, was established to recover the cost of the current update of the City's General Plan and a new South Area Community Plan, and serve to finance future updates of the General Plan. The Fee was intended to directly reduce financial support needed from the City's General Fund for Long Range Planning efforts.

Original projections underestimated actual costs of creating the new General Plan. They did not include full staff costs, the cost of implementing the new Plan, including ongoing monitoring and maintenance; or the cost of updating the remaining nine community plans. Cost estimates for the "Mini-Update" did not include General Plan staff costs and the supplies and expenses necessary to complete the scheduled update. In addition, Council requested additional community outreach, which added costs to the original estimate.

To date, all revenue from the Fee has gone to repay the \$2.95 million cash advance from the Development Services Fund (Fund 258) to fund the current update and must continue to do so, until the advance is repaid. The current balance is approximately \$1.55 million. At the projected rate of revenue, the advance will not be repaid until the first half of FY2010/12, which will be just in time to begin the scheduled 5-year update, requiring another cash advance, keeping the fund in perpetual debt.

Several other jurisdictions collect a development-related fee to help fund the maintenance of their General Plan. This fee mechanism was put in place by the State Legislature in 2002 (Government Code 66014(b)). Of those that calculate their fee based upon building permit valuation, only one (Elk Grove) has a rate lower than Sacramento's current fee. The valuation-based fees imposed by the other jurisdictions are 40 to 80% higher.

An increase in the fee, to \$2.00 per \$1,000, will virtually eliminate dependence on the City's General Fund for future updates of the City's General Plan and community plans. It will provide funding for completion of three of the remaining nine community plans over the next ten years, with the balance being updated in 10-20 years. A portion of Long Range Planning staff costs associated with maintaining and monitoring the General Plan will be funded by the increased revenue, reducing support from the General Fund.

Sample of General Plan Update Fees

City	Fee Description	Fee Calculation
Galt	Policy Document Maintenance Fee	\$3.60 per \$1000 of valuation
San Ramon	General Plan Recovery Costs	\$3.00 per \$1000 of valuation
Yolo County	General Plan Cost Recovery Fee	\$2.70 per \$1000 of valuation on projects over \$50,000
Belmont	General Plan Maintenance Fee	\$2.50 per \$1000 of valuation
Davis	Long-range Planning/Community Planning/General Plan Update fee	\$2.00 per \$1000 of valuation
Whittier	General Plan Update Fee	\$2.00 per \$1000 of valuation
Monterey Park	General Plan Revision Surcharge	\$2.00 per \$1000 of valuation
Stockton	General Plan Maintenance and Implementation	\$2.00 per \$1000 of valuation
Sacramento (Proposed)	General Plan Maintenance Fee	\$2.00 per \$1000 of valuation
Santa Cruz	General Plan Maintenance Fee	\$1.35 per \$1000 of valuation
Concord	General Plan and Zoning Ordinance Reimbursement	\$1.00 per \$1000 of valuation
Lemoore	General Plan Update Fee	\$0.72 per \$1000 of valuation
Sacramento (Current)	General Plan Maintenance Fee	\$0.59 per \$1,000 of valuation
Elk Grove	General Plan Update Fee	\$0.23 per \$1,000 of valuation
Vallejo	General Plan Update Fee	7% surcharge on building permit and plan fees
Riverside	General Plan Maintenance Fee	10% surcharge on building permit and plan fees
Marin County	Long Range Planning Surcharge	5% surcharge on building permit and plan fees
Folsom	General Plan Fee	3% surcharge on building permit and plan fees
San Rafael	General Plan Surcharge	27% surcharge on building permit
Ukiah	General Plan/Advance Planning Maintenance Fee	15% surcharge on building permit
Tiburon	Long Range Planning Fund	10% surcharge on building permit
Novato	General Plan Surcharge	5% surcharge on building permit
San Jose	General Plan Update Fee	1.25% surcharge on building permit

(Table continues on next page.)

Oakland	General Plan Maintenance Fee	\$1.00 per \$1000 of construction valuation
		12% of demolition permit fee
		.1% private plan/public improvement permit
Antioch	General Plan Maintenance Fee	\$157 (flat rate) per residential permit
San Diego	General Plan Maintenance Fee	\$88.00 (flat rate)
San Leandro	Long Range Planning Fees	SF unit - \$113, MF unit - \$57, Com - \$0.11/sf

Fee Cost Comparisons

North Natomas fees were selected for the City of Sacramento because recent fee research has been conducted for the North Natomas Financing Plan, and North Natomas is the only community planning area that has an area-wide financing plan. Development fees in other areas of the City of Sacramento will be less than in North Natomas.

Single family dwelling total impact fees per unit

Sac. County: North Vineyard Station	92,759
Elk Grove: East Franklin	86,557
Rancho Cordova: SunRidge Anatolia III	71,840
Sac. County: Vineyard	70,224
North Natomas	67,277 (67,777 w/ GP fee increase)
Roseville: Fiddymont Ranch	66,239
Folsom: Broadstone Unit III	48,739

*Fees based on 2,200 square foot, 3 bedrooms, 2 bathrooms unit, 5 units per acre, building valuation of \$250,000/unit. Includes building permit processing fees, plan check, energy fees, technology surcharges, seismic/strong motion, fire review, and other processing fees plus impact fees for sewer, water, drainage, transit, parks, etc.

Multifamily dwelling total impact fees per unit

Sac. County: North Vineyard Station	50,726
Rancho Cordova: SunRidge Anatolia III	46,739
Elk Grove: East Franklin	44,882
Roseville: Fiddymment Ranch	38,612
North Natomas	28,154 (28,324 w/ GP fee increase)
Folsom: Broadstone Unit III	26,524

*Fees based on 100 unit complex, 850 square feet per unit, 5 acre site, building valuation of \$85,000/unit. Includes building permit processing fees, plan check, energy fees, technology surcharges, seismic/strong motion, fire review, and other processing fees plus impact fees for sewer, water, drainage, transit, parks, etc.

Retail Center building total impact fees

Sac. County: North Vineyard Station	637,067
Sac. County: Vineyard Springs	455,710
Rancho Cordova: SunRidge Anatolia	333,864
North Natomas	316,454 (330,871 w/ GP fee increase)
Elk Grove: East Franklin	315,350
Folsom: Empire Ranch	274,793
Roseville: North Central	222,940

*Fees based on 109,125 square foot retail project, 10 acre site, building valuation of \$7,208,470. Includes building permit processing fees, plan check, energy fees, technology surcharges, seismic/strong motion, fire review, and other processing fees plus impact fees for sewer, water, drainage, transit, parks, etc.

Office building total impact fees

Sac. County: North Vineyard Station	727,371
Rancho Cordova: SunRidge	576,509
Elk Grove: East Franklin	437,627
North Natomas	410,367 (422,083 w/ GP fee increase)
Roseville: North Central	328,748
Folsom: Broadstone Unit III	194,781

*Fees based on 74,923 square foot office building, 5 acre site, building valuation of \$5,857,646. Includes building permit processing fees, plan check, energy fees, technology surcharges, seismic/strong motion, fire review, and other processing fees plus impact fees for sewer, water, drainage, transit, parks, etc.

General Plan Cost Data

2004 Projected Cost:

General Plan Consultant Cost	1,900,000
Staff Cost	400,000
GP Mini-Update @ 5 years	450,000
Parks & Recreation Element	250,000
Total	3,000,000

2030 GP Actual Cost to Date (Through Feb 2008):

General Plan Consultant Cost	3,979,417
S. Area Community Plan Consultant Cost	655,455
Staff Cost	2,156,167
Supplies and Expenses	296,000
Total	7,087,039

5-Year Update Cost:

Housing Element	300,000
GP Mini-Update Consultant/Staff Cost	300,000
EIR	300,000
Expenses and Supplies	100,000
Total	1,000,000.00

10-Year Update Cost:

Housing Element	300,000
GP Major Update Consultant/Staff Cost	2,700,000
EIR	700,000
Expenses and Supplies	300,000
Total	4,000,000.00

Total Future Costs Over 10 Years:

5-Year Update		1,000,000
10-Year Update		4,000,000
GP Annual Implementation Staff Cost	460,000.00 per year X 10 years =	4,600,000
Community Plan Updates	650,000.00 per plan X 3 plans updated =	1,950,000
GP Loan from Development Services Fund	1,550,000.00 X 1 =	1,550,000
Total Costs Over 10 Years		13,100,000

Revenue Over 10 Years:

Revenue at the \$2.00 per \$1,000 of building valuation rate with a fee cap of \$20,000 on buildings valued over \$10 million would generate approximately **\$13.1 million over 10 years**, assuming annual permit valuation of \$700 million. The fee cap results in 6% less revenue being collected. Higher revenues would allow more than 3 community plans to be updated over the next 10 years.

ATTACHMENT 3

ALTERNATIVE FEE SCENARIOS

Alternative Scenario 1: Exclude residential remodels, re-roofing and other minor residential permits from fee

Currently, the General Plan Maintenance Fee is levied on all building permits that are calculated based on building valuation. This includes interior remodels and certain other minor permits. This scenario would have the fee levied primarily on permits attributable to new population and job growth, which would include new or expanded buildings and commercial improvements to existing buildings, but not remodeling of existing residential space, residential repairs, other minor permits, and pools.

If the fee were limited as described above, fee-capped revenues would be reduced by 8.9% or \$1,111,240 over 10 years. This would be equivalent to two of the community plans being unfunded.

Alternative Scenario 1 Revenue Over 10 Years:

Fee	Rate	Revenue
Minor Residential Permits Excluded	\$2.00 per \$1000.00 building valuation <u>excluding residential remodels, repairs, minor residential permits and pools,</u> with \$20,000 fee cap.	\$11,988,760 over 10 years
Total		\$11,988,760 over 10 years
Shortfall		\$1,111,240 over 10 years

Alternative Scenario 2: Charge a lower fee

During outreach, a lower fee was suggested for infill areas. Generally, the costs of updating the General Plan and Community Plans are the same in greenfield and infill areas. Greenfield areas cannot be charged more than the reasonable cost of providing service, and cannot be required to subsidize infill areas. Greenfield areas include the North Natomas Community Plan Area including the Panhandle; Greenbriar; Camino Norte; Delta Shores; and any areas annexed in the future. Approximately 80% of growth through 2030 would be in infill areas.

Due to the General Plan’s direction to support infill development, staff finds that focused planning is needed more in infill areas than in greenfield areas. This approach would tend to increase costs in infill areas, rather than supporting a lower cost of service.

Instead of a two-tiered fee, staff would recommend a simpler, lower citywide fee. However, it should be understood that a lower fee will generate less revenue and would result in either fewer of the identified services being performed, or would require additional funding from the general fund or other sources in the future. For example, the shortfall at a \$1.60 fee would be nearly equal to the cost of three community plans.

Example:

Alternative Scenario 2 Revenue Over 10 Years:

Fee	Rate	Revenue
Reduced fee @ 1.60	\$1.60 per \$1000.00 building valuation, no fee cap.	\$11,200,000 over 10 years
Total		\$11,200,000 over 10 years
Shortfall		\$1,900,000 over 10 years

Alternative Scenario 3: Charge lowest fee that maintains staffing

This scenario is the minimum fee required to maintain staffing levels for General Plan implementation and to repay the loan from the Development Services Fund. Once the loan is repaid, some funds would be available for updates, but this fee level would result in a significant reduction in service levels or require greater General Fund subsidies in the future.

Example:

Alternative Scenario 3 Revenue Over 10 Years:

Fee	Rate	Revenue
Reduced fee @ 1.25	\$1.25 per \$1000.00 building valuation, no fee cap.	\$8,750,000 over 10 years
Total		\$8,750,000 over 10 years
Shortfall		\$4,350,000 over 10 years

ATTACHMENT 4

ANNEXATION FEE SUMMARY

Department: PLANNING

Fee Name: ANNEXATION FEE

Current Fee: No current fee in place.

Proposed Fee: Tied to Existing Planning Entitlement Fees for Prezone/Rezone:

- Residential Project up to 2 acres: \$1,000
- Residential Project >2 acres \$8,000
- Commercial /Mixed Use Project: \$20,000
- Additional Charges: Applications requiring more staff time than has been allocated by the fees charged per this schedule will be assessed for the additional staff time at \$140 per staff hour.

Justification: Staff time: project review and analysis, prepare documents, research, site visits, neighborhood outreach, and attend hearings. The annexation activity involves tasks supplemental to those conducted for a prezone; specifically, these supplemental tasks include review of a “plan for services”, coordination with outside agencies proposed for detachment or reorganization, preparation of a “tax share agreement”, and preparation for Local Agency Formation Commission (LAFCo) hearings.

Detailed Analysis & Justification: The paragraphs that follow highlight the categories of annexation, and specific work efforts required for annexation.

Annexations within the City tend to fall into one of three categories:

- Small residential annexations where property holdings cross jurisdictional boundaries (e.g., the Sacramento Housing and Redevelopment Agency owns contiguous properties in the Stockton Blvd. Redevelopment Area, some of which are in the City and others of which are adjacent to the City.)
- Mid-size residential-only annexations (no actual history of this type of annexation)
- Industrial, commercial, or mixed use projects (nearly all of the annexations to the City have fallen into this category).

Annexation/Reorganization Process Summary

The following is a brief overview of the reorganization (annexation/detachment) process for the City of Sacramento.

- **Reorganization Initiated.** Through petition or City Council Resolution. This effort requires preparation of staff report including drafting a Resolution and presentation to the Council. [Estimated Work Effort: 16 hours - Basic]
- **Reorganization Proposal Developed.** In conjunction with petitioners and all affected departments, a detailed reorganization (annexation/detachment) proposal is developed which outlines the proposed treatment of all changes of organization, municipal service issues, tax revenue sharing agreements with the County and affected special districts, and the establishment of rezoning designations. An environmental review is also conducted with LAFCo acting as a responsible agency. While much of the effort for annexations is already accounted for with other entitlements (such as rezoning), annexation has some unique aspects:
 - **Plan for Services:** When a local agency submits a resolution of application for reorganization, it shall include a plan for services which describes the level and range of those services, an indication of when those services can feasibly be extended to the affected territory, and how those services will be financed. (Cortese-Knox-Hertzberg, §56653). Typically, the Plan for Services is prepared by a consultant, but requires City staff routing, coordination and oversight. [Estimated Work Effort - Basic: 24 hours]
 - **Tax Exchange Agreement:** The City and County must adopt a Property Tax Exchange Agreement at least 21 days prior to LAFCo public hearings on the annexation proposal [Revenue & Taxation Code § 99(b)(1)(B)(6)]. These agreements specify the redistribution of property taxes among the city, the county, and other agencies such as special districts. Typically, tax revenues accruing to the county, some special county funds, and special districts are redistributed to the annexing city and the county. The county is responsible for representing the interests of special districts, and there is a meet and confer requirement if the tax exchange will impact a special district. This effort typically involves preparation of a staff report and resolution to the City Council, and attendance at the corresponding hearing at the Board of Supervisors. The Greenbriar effort required extensive effort on collateral issues such as open space preservation and sales tax sharing. [Estimated Work Effort - Basic: 24 hours]
 - **Planning Commission and City Council consideration:** Much of the hearing activities related to annexation are encompassed within the efforts required for the related entitlements (for which fees & charges already are collected). Supplemental activities include outreach to community groups and organizations beyond the City's borders, analysis of loss of agriculture and open space, and population growth and development in relationship with the Blueprint. [Estimated Work Effort - Basic: 16 hours]
- **Submittal of Application to LAFCo:** Following Council approval, the Planning Department will prepare the LAFCo application. The application has the following components:

- Application Form: Property and project description, proposed actions, legal description of property, rationale for annexation (pursuant to Government Code § 56425), present and probable need for public facilities and current capacity of public facilities and adequacy of public services, and a justification for the annexation. [Estimated Work Effort - Basic: 16 hours]
- Supplemental letter responding to LAFCo conditions of Sphere of Influence approval, and/or issues raised during Sphere of Influence hearings. [Estimated Work Effort - Basic: 16 hours]
- Transmittal of Certified Resolutions and Ordinances, staff reports, water supply assessment, and all other relevant documents. [Estimated Work Effort - Basic: 8 hours]
- **LAFCo Commission Hearings:** LAFCo staff analyzes all issues, writes the staff report and recommendation to Commission, and sets the matter for hearing before the Commission. Planning staff collaborate with LAFCo to prepare the staff report. Planning staff, as Chief Petitioner, testify before the LAFCo Commission. Typically, this involves preparation of a PowerPoint presentation. [Estimated Work Effort - Basic: 16 hours]
- **Follow-Up Actions:** Coordinate with City Clerk's Office to obtain Certificate of Compliance, coordinate with US Census Bureau, State Board of Equalization, modify GIS maps and history files [Estimated Work Effort - Basic: 8 hours]

Summary of Required Effort:

- Reorganization Initiated. [16 hours]
- Plan For Services: [24 hours]
- Tax Exchange Agreement: [24 hours]
- Planning Commission and City Council consideration: [16 hours]
- Submittal of LAFCo Application Form: [16 hours]
- Supplemental letter [16 hours]
- Transmittal of relevant documents. [8 hours]
- LAFCo Commission Hearings: [16 hours]
- Follow-Up Actions: [8 hours]

TOTAL BASIC EFFORT = 144 hours * \$140/hour = \$20,160

RESOLUTION NO. 2008-XXX
Adopted by the Sacramento City Council
April 15, 2008

GENERAL PLAN MAINTENANCE FEE INCREASE AND ANNEXATION FEE

BACKGROUND

- A. On February 7, 2006, the City Council adopted the Citywide Fees and Charges policy (Resolution No. 2006-106).
- B. Implementation of the General Plan requires a necessary mechanism to ensure that the City's fees and charges reflect the City's current costs.
- C. The Draft 2030 General Plan has been developed through a collaborative process that included extensive community outreach and participation.
- D. The City's active involvement in the annexation process ensures new growth is well planned and managed, and consistent with the vision, principles, goals and policies set forth in the 2030 General Plan.
- E. The proposed General Plan Maintenance Fee Increase and Annexation Fee are set forth in Exhibit A.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The Fee and Charge Policy is amended to increase the General Plan Maintenance Fee and add an Annexation Fee, as set forth in Exhibit A.
- Section 2. The City Manager is authorized to adjust the necessary revenue and expenditure budgets to reflect the implementation of these fee increases.

Exhibit:

Exhibit A – Proposed General Plan Maintenance Fee Increase and Annexation Fee

EXHIBIT A

**General Plan Maintenance Fee Increase
and Annexation Fee**

General Plan Maintenance Fee

Proposed Fee Increase: \$2.00 per \$1,000 of building permit valuation, with a maximum fee of \$20,000 on permits with a valuation over \$10 million.

Annexation Fee

Proposed Fee: Tied to Existing Planning Entitlement Fees for Prezone/Rezone:

- Residential Project up to 2 acres: \$1,000
- Residential Project >2 acres \$8,000
- Commercial /Mixed Use Project: \$20,000
- Additional Charges: Applications requiring more staff time than has been allocated by the fees charged per this schedule will be assessed for the additional staff time at \$140 per staff hour.

