

**CITY OF COSTA MESA  
NOTICE PERTAINING TO FEES**

**NOTICE IS HEREBY GIVEN** that a public hearing will be held by the Costa Mesa City Council at the regular meeting on **Tuesday, June 18, 2019 at 7:00 P.M.**, or as soon as possible thereafter, in the City Hall Council Chambers, 77 Fair Drive, Costa Mesa, to consider the following item:

**Description:** The Preliminary Budget for Fiscal Year 2019-2020 including an increase in the Planning fee schedule, a new administrative processing fee for business licenses, and fees pertaining to Marijuana permits. Pursuant to Government Code section 66016, data indicating the estimated costs required to provide the service for which these fees or service charges are levied and the revenue sources anticipated to provide the service are available in the City Clerk's office and posted on the City website at <https://www.costamesaca.gov/city-hall/city-council/public-notices>.

**Public Comments:** Public comments in either oral or written form may be presented during the public hearing. Any written communications, photos, or other materials for copying and distribution to the City Council that are 10 pages or less, must be submitted to the City Clerk **NO LATER THAN 12:00 p.m.** on the day of the hearing, **June 18, 2019**. Materials can be e-mailed to [cityclerk@costamesaca.gov](mailto:cityclerk@costamesaca.gov) or provided on a flash drive. Please note that records submitted by the public will not be redacted in any way and will be posted online as submitted, including any personal contact information. If the public wishes to submit written communication, photos, or other material for distribution to the City Council at the meeting **AFTER 12:00 p.m.**, 10 copies will need to be provided for distribution. Please note that **NO** copies of written communication will be made **AFTER 12:00 p.m.** All materials, pictures, PowerPoints, and videos submitted for display at a public meeting must be previously reviewed by staff to verify appropriateness for general audiences. Kindly submit to the City Clerk **AS EARLY AS POSSIBLE, BUT NO LATER THAN 30 MINUTES PRIOR TO THE START OF THE MEETING**. If you should need further assistance, please contact the City Clerk's Office at (714) 754-5225. The City Council agenda and related documents may also be viewed on the City's website at <http://costamesaca.gov>, 72 hours prior to the public hearing date. **IF THE AFOREMENTIONED ACTION IS CHALLENGED IN COURT**, the challenge may be limited to only those issues raised at the public hearing described in the notice, or in written correspondence delivered to the City Council at, or prior to, the public hearing.

Published June 5 and June 12, 2019

## Proposed Planning Fee Schedule

Application Type	Current Fee	% Cost Recovery- Existing Fees	Full Cost Recovery	Recommended Fees	% Cost Recovery- Recommended Fees
<b>Planning Application Fees</b>					
Administrative Adjustment	\$1,035	18.42%	\$5,620	\$3,800	67.62%
Certificate of Appropriateness	\$0	0.00%	\$10,100	\$7,500	74.26%
Conditional Use Permit - Minor	\$1,010	16.69%	\$6,050	\$3,800	62.81%
Conditional Use Permit - Major	\$1,550	15.35%	\$10,100	\$7,500	74.26%
Conditional Use Permit - Marijuana Use	\$27,508	100.00%	\$27,508	No Change	No Change
Density Bonus Review	\$1,760	10.07%	\$17,480	\$12,000	68.65%
Designating a cultural resource	\$0	0.00%	\$16,400	No Fee	No Fee
Design Review - Minor	\$650	13.80%	\$4,710	\$1,500	31.85%
Design Review - Major	\$1,650	20.05%	\$8,230	\$3,800	46.17%
Development Agreement	\$5,000 deposit	15.25%	\$32,790	\$20,000 deposit	60.99%
Development Agreement- Annual Review, Planning Commission	\$1,425	36.73%	\$3,880	\$2,500	64.43%
Development Agreement- Annual Review, City Council	\$1,875	34.98%	\$5,360	\$3,800	70.90%
Development Review	\$915	41.59%	\$2,200	\$1,500	68.18%
Environmental Review/CEQA	110% of Consultant Contract	N/A	N/A	110% of Consultant Contract	110% of Consultant Contract
General Plan Amendment - Screening	\$1,000	14.95%	\$6,690	\$5,000	74.74%
General Plan Amendment	\$3,560	21.71%	\$16,400	\$12,000	73.17%
Master Plan - Minor Change	\$0	0.00%	\$1,680	\$1,250	74.40%
Master Plan - Minor Amendment	\$915	9.60%	\$9,560	\$6,000	62.76%
Master Plan - Major Amendment	\$960	7.00%	\$13,780	\$7,500	54.43%
Master Plan	\$1,760 - 2,265	16.44%	\$13,780	\$9,000	65.31%
Minor Modification	\$0	0.00%	\$1,030	\$500	48.54%
Mixed Use Development Plan Screening	\$0	0.00%	\$6,690	\$5,000	74.74%
Mobile Home Park Conversion	\$4,255	32.48%	\$13,100	\$7,500	57.25%
Mobile Home Park Tenant Relocation (Staff Review)	\$1,450	18.66%	\$7,770	\$5,000	64.35%
Mobile Home Park Tenant Relocation (Consultant)	110% of Consultant Contract	N/A	N/A	110% of Consultant Contract	110% of Consultant Contract
Planned Signing Program	\$625	25.72%	\$2,430	\$1,500	61.73%
Pre-application Review	\$0	0.00%	\$2,400	\$1,500	62.50%
Off-site Hazardous Waste Facility - Notice of Intent	110% of Consultant Contract	N/A	N/A	110% of Consultant Contract	110% of Consultant Contract
Off-site Hazardous Waste Facility - Conditional Use Permit	110% of Consultant Contract	N/A	N/A	110% of Consultant Contract	110% of Consultant Contract
Off-site Hazardous Waste Facility - Local Assessment Committee (Formation and Convening)	110% of Consultant Contract	N/A	N/A	110% of Consultant Contract	110% of Consultant Contract
Reasonable Accommodation	\$0	0.00%	\$5,580	\$2,500	44.80%
Residential and Non-Residential Common Interest Development Conversion	\$1,500	15.51%	\$9,670	\$7,500	77.56%
Rezone/Code Amendment	\$1,920	14.14%	\$13,580	\$10,000	73.64%
Special Use Permit	\$0	0.00%	\$7,640	\$5,500	71.99%
Specific Plan - Amendment	\$2,090	12.74%	\$16,400	\$12,000	73.17%
Specific Plan - Conformity Review	\$1,630	15.87%	\$10,270	\$9,000	87.63%
Specific Plan	\$2,090	12.74%	\$16,400	\$12,000	73.17%
Urban Master Plan Screening	\$0	0.00%	\$6,690	\$5,000	74.74%
Variance	\$1,685	17.04%	\$9,890	\$7,500	75.83%
<b>Subdivision Application Fees</b>					
Certificate of Compliance	\$0	0.00%	\$2,420	\$1,500	61.98%
Lot Line Adjustment	\$800	36.36%	\$2,200	\$1,500	68.18%
Tentative Tract Map	\$1,445	17.10%	\$8,450	\$6,000	71.01%
Tentative Parcel Map	\$1,445	22.97%	\$6,290	\$3,800	60.41%
<b>Plancheck (Planning Review)</b>					
Plancheck- Commercial	\$0	0.00%	\$1,440	\$250	17.36%
Plancheck- Industrial	\$0	0.00%	\$1,440	\$250	17.36%
Plancheck - Landscape Plan only	\$0	0.00%	\$1,440	\$500	34.72%
Plancheck- Residential- Minor, 4 or less	\$0	0.00%	\$1,440	\$250	17.36%
Plancheck- Residential- Major, 5 or more	\$0	0.00%	\$2,880	\$500	17.36%
Small Cell Facility Encroachment Permit - Planning Review	\$0	0.00%	\$1,130	\$1,000	88.50%

<b>Time Extension Application Fees</b>					
Time Extension - Director Action	\$0	0.00%	\$1,590	\$500	31.45%
Time Extension/Renewal - Zoning Administrator Action	\$365	9.41%	\$3,880	\$2,500	64.43%
Time Extension/Renewal - Planning Commission Action	\$450	8.40%	\$5,360	\$3,800	70.90%
<b>Miscellaneous Planning Fees</b>					
Address/Address Change	\$0	0.00%	\$290	\$200	68.97%
Banner Permit	\$0	0.00%	\$140	\$25	17.86%
Business License (Planning Review)	\$0	0.00%	\$140	\$100	71.43%
CC&Rs Review	\$0	0.00%	\$1,560	\$1,000	64.10%
Flood Zone Determination Letter	\$40	4.35%	\$920	\$250	27.17%
Garage Sale Permit	\$0	0.00%	\$140	No Fee	No Fee
Gate Permits	\$0	0.00%	\$830	\$500	60.24%
Home Occupation Permit (Planning Review)	\$0	0.00%	\$140	\$100	71.43%
Land Use Restriction	\$0	0.00%	\$1,500	\$500	33.33%
Marijuana Business Permit	\$21,525	N/A	N/A	No Change	No Change
Marijuana Business Permit - Background Check/ID Badge	\$341	N/A	N/A	No Change	No Change
Marijuana Business Permit - Background Check by Consultant	\$300	N/A	N/A	No Change	No Change
Marijuana Business Permit - Live Scan Fees (Police Department)	\$59	N/A	N/A	No Change	No Change
Marijuana Business Permit - Renewal Fees	\$0	0.00%	No Fee	No Fee	No Fee
Marijuana Business Permit - Modification	\$0	0.00%	\$1,680	\$1,000	59.52%
Public Entertainment Permit	\$675	36.30%	\$1,860	\$1,500	80.65%
Public Notice (mailed notices and newspaper publishing)	\$1.00 per mailing address plus newspaper costs	100.00%	\$1.00 per mailing address plus newspaper costs	No Change	No Change
Second-story Notification	\$0	0.00%	\$1,240	\$500	40.32%
Shared Parking Approval	\$0	0.00%	\$720	\$500	69.44%
Sign Permit	\$0	0.00%	\$290	\$200	68.97%
Sign Permit- Mural/Art	\$0	0.00%	\$720	No Fee	No Fee
Sober Living Home Operator's Permit	\$0	0.00%	\$800 - \$1200	\$1,000	83.33% - 125.00%
Tree Removal Review/Tree Replacement Plan	\$0	0.00%	\$1,440	\$500	34.72%
Use Determination Letter	\$0	0.00%	\$1,590	\$500	31.45%
Zoning Verification Letter	\$40	4.35%	\$920	\$250	27.17%
<b>Appeal Fees</b>					
Appeal of Conditional Use Permit - Marijuana	\$3,915	N/A	N/A	No Change	No Change
Appeal of Non-Planning Commission Decision - Tier 1	\$690	N/A	N/A	No Change	No Change
Appeal of Non-Planning Commission Decision - Tier 2	\$3,825	N/A	N/A	No Change	No Change
Appeal of Planning Commission Decision- Tier 1	\$1,220	N/A	N/A	No Change	No Change
Appeal of Planning Commission Decision- Tier 2	\$3,825	N/A	N/A	No Change	No Change



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**CITY OF COSTA MESA  
FINANCE DEPARTMENT  
INTEROFFICE MEMORANDUM**

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**TO:** Tamara Letourneau, Acting City Manager

**FROM:** Kelly A. Telford, Finance Director, CPA

**DATE:** May 8, 2019

**SUBJECT:** FY 2019-20 Business License Administrative Processing Fee Supporting Information

The purpose of this memo is to provide additional support and information pertaining to the proposed administrative processing fee for businesses licenses for FY 2019-20.

**Background**

The City utilized several balancing measures in developing the FY 2019-20 Preliminary Operating and Capital Improvement Program Budget. One of those measures included the review of all existing operations to evaluate efficiencies and ensure existing fees were fully recovering costs. As such, the Finance Department also applied this approach when reviewing potential new fees to evaluate if there were existing operations and processes that did have full cost recovery. This evaluation led the department to propose new fees relating to the administrative processing of business licenses as well as propose funding in the FY 2019-20 budget for a full City-wide Fee Study to ensure that taxpayers are not subsidizing services and processes particularly related to development or businesses.

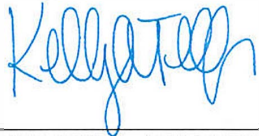
**Analysis**

The Finance Department is proposing a new administrative processing fee for business licenses, which is a fee comparable to other agencies that the City is not currently assessing. The maximum business license fee is \$200, even for the largest businesses. At this time, it takes almost two full-time positions to manage the business license program. Annually, these positions process approximately 2,000 new business licenses, 11,000 renewals, changes, amendments, or reactivations, and 1,500 reprints. The proposed fee increases are summarized below based on the type of administrative processing:

**Business License Administrative Processing Charge**

Changes and amendments - existing accounts	\$25
Reactivations - existing accounts	\$35
Reprint fee	\$10
Delinquent payment penalty	25% per month; not-to-exceed 100% of the fee
<i>Noncompliance penalties:</i>	
After 90 days for renewals	\$50
After 45 days for New Applicants	\$50

Based on these estimates, the projected increase in revenue from this new fee is approximately \$250,000 in FY 2019-20. Consequently, this fee would ensure full cost recovery for such processes and prevent taxpayers from subsidizing businesses. Staff is also recommending the City Council authorize an annual increase in this type of fee by a minimum of CPI to ensure the fees fully recover costs as salary and benefits and the cost of doing business increase.



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**KELLY A. TELFORD, CPA**  
Finance Director