

# Agenda Report

**TO:** CITY COUNCIL                      **DATE:** May 19, 2008

**THROUGH:** FINANCE COMMITTEE (April 28, 2008)

**FROM:** CITY MANAGER

**SUBJECT:** SCHEDULE OF TAXES, FEES, AND CHARGES

## **RECOMMENDATION**

It is recommended that the City Council approve the scheduled rate increases per the attached Schedule of Taxes, Fees, and Charges.

## **BACKGROUND**

Section 1.08.060 of the Pasadena Municipal Code provides that all taxes, fees, and charges referred to in the Code will be adjusted on July 1 of each year to reflect changes in the Consumer Price Index (CPI) during the 12 months which ended the preceding March 1. Pursuant to California Government Code Section 53750, the City Council has the authority to increase taxes pursuant to a CPI adjustment formula that was in place prior to November 6, 1996. The City's CPI formula was adopted in 1978. The Municipal Code requires the Director of Finance to compute the changes and submit them for review. The City Council may reject any or all of the recommended increases; however, it may not modify any adjustments before ordering the report filed. The actions to reject any one of the recommendations must be taken by June 30. At that time, changes that have not been rejected will automatically be implemented. The Consumer Price Index for all Urban Consumers in the Los Angeles-Riverside-Orange County Metropolitan areas increased by 3.10% between March 1, 2007 and March 1, 2008.

Accordingly, the attached list is submitted showing the current rates of all taxes, fees, and charges affected by these provisions and the adjusted rates that would take effect July 1, 2008. Staff is not recommending changes to any tax rate which is based upon a percentage because under Proposition 218 these are subject to electoral approval. Furthermore, the attached list reflects the Sewer Use Charge which was approved by City Council on February 25, 2008 and the 2009 Grandstand Permit Application Tax, Rose Bowl Admission Tax, and Grandstand Seat Surcharge rates which were approved by City Council on March 10, 2008.

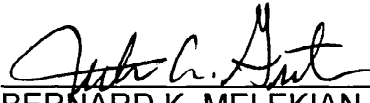
**FISCAL IMPACT**

Implementation of all scheduled rate adjustments would increase estimated revenues for FY 2009 by the following amounts:

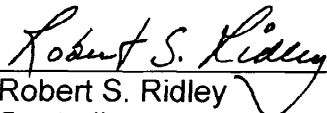
General Fund	\$143,000
Sewer Construction and Maintenance Fund	\$172,000
Library Special Tax Fund	\$53,000

The projected revenue from these increases will be incorporated into FY 2009 Operating Budget if approved by the City Council and have been factored into the City's five year financial plan for illustrative purposes.

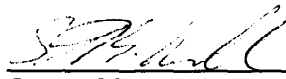
Respectfully submitted,

  
for BERNARD K. MELEKIAN  
City Manager

PREPARED BY:

  
Robert S. Ridley  
Controller

APPROVED BY:

  
Steve Mermell  
Acting Director of Finance

Attachment

**CITY OF PASADENA**  
**SCHEDULE OF TAXES, FEES AND CHARGES**  
**Adopted for Annual CPI Changes Through March 1, 2008 - Effective July 1, 2008**

<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2008 RATE</u>	<u>PROPOSED FY2009 RATE</u>
3.12.040 GRANDSTAND PERMIT APPLICATION TAX		
Per Seat	0.60	0.62 (1)
Minimum	35.52	36.76 (1)
3.16.07 TOURNAMENT OF ROSES PROGRAM PERMIT DEPOSIT FEES		
Fee	82.81	85.38
For each of the cards	0.14	0.15
4.17.050 RESIDENTIAL IMPACT FEE		
Per unit	N/A	N/A
Number of Bedrooms		
Studio	15,098.58	15,566.64
1	15,933.83	16,427.77
2	17,696.43	18,245.02
3	20,350.17	20,981.03
4	24,726.15	25,492.66
5 or more	27,948.11	28,814.50
Inclusionary Housing Regulations, Skilled Nursing Units, or Student Housing	782.46	806.72
Fee Reduction of 30 Percent for Non-Affordable Units if Affordable Housing is Built On-Site		
Studio	10,569.01	10,896.65
1	11,153.68	11,499.44
2	12,387.50	12,771.51
3	14,245.12	14,686.72
4	17,308.31	17,844.86
5 or more	19,563.67	20,170.15

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<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2008 RATE</u>	<u>PROPOSED FY2009 RATE</u>
4.19.040 TRAFFIC REDUCTION AND TRANSPORTATION IMPROVEMENT FEE		
New Industrial use per square foot	3.10	3.20
New Office use per square foot	3.72	3.84
New Retail use per square foot	8.62	8.89
New Residential use per new unit	2,480.00	2,556.88
4.24.020 UNDERGROUND SURTAX RATE		
First \$ 1,000 of monthly bill	4.34%	4.34%
4,000 of monthly bill	3.70%	3.70%
20,000 of monthly bill	2.47%	2.47%
Over 25,000 of monthly bill	1.21%	1.21%
4.32.020 CONSTRUCTION TAX		
Percentage of value	1.92%	1.92% (2)
4.36.020 REAL PROPERTY TRANSFER TAX		
For each \$500.00 of value	0.275	0.275 (3)
4.44.030 TRANSIENT OCCUPANCY TAX		
Percentage of rent	12.11%	12.11%
4.48.040 ROSE BOWL ADMISSION TAX		
Tax	0.08	0.08 (1)
Additional charge per \$1.00	0.11	0.11 (1)
Maximum	1.38	1.43 (1)

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4.52.020 SEWER USE TAX		
A. 100 cu. ft. - homes served under Ordinance	0.21	0.27
Maximum per year	98.28	127.76
B. 100 cu. ft. - homes not served under Ordinance	0.26	0.34
Minimum per month	8.15	10.60
C. 100 cu. ft. - all other sources	0.37	0.48
4.52.025 STORM DRAIN SEWER USE TAX		
Per unit of runoff quantity	31.67	32.66
4.53.3 SEWER FACILITIES CHARGE		
Per gallon charge for sewage discharged per day	6.19	6.38
<u>Occupancy</u>		
<u>Average Daily Flow</u>		
Apartment Building: Bachelor or Single dwelling units	100 gal/dwelling unit	
1 bedroom dwelling units	150 gal/DU	
2 bedroom dwelling units	200 gal/DU	
3 or more dwelling units	250 gal/DU	
Auditoriums, churches, etc	5 gal/seat	
Automobile parking	25 gal/1000 sq ft gross floor area	
Bars, cocktail lounges, etc	20 gal/seat	
Commercial Shops & Stores	100 gal/1000 sq ft gross floor area %	
Hospitals (surgical)	500 gal/bed%	
Hospitals (convalescent)	85 gal/bed	
Hotels	150 gal/room	
Medical Buildings	300 gal/1000 sq ft gross floor area	
Motels	150 gal/unit	
Office Buildings	200 gal/1000 sq ft gross floor area	
Restaurants, cafeterias, etc	50 gal/seat	
Financial Institutions (banks)	1000 gal/1000 sq ft gross floor area	
Service Shop, Service Station	100 gal/1000 sq ft gross floor area	
Laundromat	4600 gal/1000 sq ft gross floor area	
Animal Kennel (shelter)	100 gal/1000 sq ft gross floor area	
Nurseries/Greeneries	25 gal/1000 sq ft gross floor area	
Warehousing, Open Storage (storage space)	25 gal/1000 sq ft gross floor area	

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4.53.3 SEWER FACILITIES CHARGE		
Indoor Theatre (movies)      500 gal/1000 sq ft gross floor area		
Bowling, Skating Facilities    1000 gal/1000 sq ft gross floor area		
Golf Course                      100 gal/1000 sq ft gross floor area		
Mortuaries/Cemeteries        100 gal/1000 sq ft gross floor area		
Schools:		
Elementary or Jr. High      10/ gal/student		
High Schools                15/ gal/student		
Universities or Colleges   20/ gal/student		
College Dormitories        85/ gal/student		
4.54.020 STREET LIGHT & TRAFFIC SIGNAL TAX		
Percentage of charges (first 1,000 KWH exempted)	7.43%	7.43%
<b>UTILITY USER TAXES</b>		
4.56.030 TELEPHONE TAX		
Percentage of charges	8.28%	8.28%
4.56.040 ELECTRICITY TAX		
Commercial - percentage of charges	7.67%	7.67%
Residential - percentage of charges	7.67%	7.67%
4.56.050 GAS TAX		
Commercial - percentage of charges	7.90%	7.90%
Residential - percentage of charges	7.90%	7.90%
4.56.060 WATER TAX		
Commercial - percentage of charges	7.67%	7.67%
Residential - percentage of charges	7.67%	7.67%

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4.56.070 CABLE TV TAX		
Percentage of charges	9.40%	9.40%
<b>4.109.180 LIBRARY SPECIAL TAX</b>		
Single family residence or residential unit in a residential condominium project	28.63	33.88
Each residential unit of a multi-unit building which is not a condominium project	18.60	22.25
Each parcel of non-residential property	210.41	247.77
<b>BUSINESS LICENSE TAXES</b>		
5.04.040 BUSINESS LICENSE MAXIMUM TAX		
Maximum	53,196.23	54,845.31
5.10.030 COMBINATION BUSINESSES TAX		
Off-sale alcoholic licenses Additional per license	886.60	914.08
5.10.190 LICENSE TRANSFER TAX		
Per license	37.06	38.21
5.10.210 DUPLICATE LICENSE TAX		
Fee for duplicate	7.42	7.65
5.16.020 GENERAL BUSINESS TAX		
License tax	138.30	142.58
Each employee in excess of one	27.65	28.51

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<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2008 RATE</u>	<u>PROPOSED FY2009 RATE</u>
5.16.025 BUSINESS WITH TAKE-OUT SERVICE TAX		
Basic tax	276.58	285.15
Each employee in excess of one	55.32	57.04
5.16.030 PROFESSIONAL BUSINESS TAX		
First professional	368.77	380.20
For additional	184.39	190.10
Non-professional employee	27.65	28.51
5.16.040 COIN OPERATED MACHINES TAX		
A. Vending Machines		
1. Annual tax		
First \$5,000 gross receipts	148.42	153.02
Each additional \$1,000	7.38	7.61
2. Per year per machine		
\$.01 and under	7.38	7.61
.02 to .05	14.82	15.28
.06 to .10	37.06	38.21
.11 OR MORE	74.20	76.51
B. Music and Game Machines		
1. Annual Tax		
First \$5,000 Gross receipts	148.42	153.02
Each additional \$1,000	7.38	7.61
2. Per year per machine	148.42	153.02
5.16.050 SERVICE BUSINESS TAX		
License tax	138.30	142.58
Each employee in excess of one	27.65	28.51



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5.16.070 NEW YEAR'S DAY RELATED BUSINESS TAX		
A. Temporary-food/merchandise		
1. Vendor	111.22	114.67
2. Solicitor or peddler	74.20	76.50
B. Grandstand seat surcharge	4.78	4.95 (1)
5.16.090 THEATERS TAX		
Per seat	1.91	1.96
5.16.100 JUNK AND REFUSE COLLECTORS TAX		
First four vehicles	371.02	382.53
Each additional vehicle	185.45	191.20
5.16.120 RETAIL AND WHOLESALE DELIVERY TAX		
Per year	185.45	191.20
5.16.130 NEWSPAPERS AND ADVERTISING TAX		
License tax	148.42	153.02
Each employee in excess of one	29.68	30.60
5.16.140 CHRISTMAS TREES TAX		
License tax	148.42	153.02
5.16.150 AUCTIONS TAX		
Per day	185.48	191.23

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5.16.160 SELF-SERVICE MACHINES TAX		
A. First \$5,000 or less of gross receipts	74.20	76.50
Each \$1,000 of gross receipts or fraction thereof in excess of \$5,000	7.38	7.61
B. License tax per year	148.42	153.02
Per machine	14.82	15.28
Each employee in excess of one	29.68	30.60
C. Each machine in another licensed business	14.82	15.28
5.16.180 CONTRACTING & BUILDING TRADES (ANNUAL TAX)		
General engineering contractor	1113.10	1,147.61
General building contractor	742.06	765.07
Specialty contractor	556.56	573.82
Other building tradesman	556.56	573.82
Six-month license-percentage of annual tax	60.00%	60.00%
Three-month license-percentage of annual tax	30.00%	30.00%
5.16.190 RENTAL ACCOMMODATIONS TAX		
A. Hotel, Roominghouse, etc.		
Three rental accommodations	136.00	140.22
Each additional accommodation	14.82	15.28
B. Boarding Homes, Rest Homes, etc.		
First person accommodated	129.98	134.01
Each additional person	14.82	15.28
5.16.200 CIRCUS OR MENAGERIE TAX		
Per day	742.06	765.07

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5.16.210 SIDE SHOW TAX		
Per day	66.27	68.33
5.16.220 ANIMALS TAX		
Per day	165.42	170.54
5.16.230 AMUSEMENT PARK TAX		
Per year - up to 5 devices	661.90	682.42
Per each device in excess of 5	165.42	170.54
5.16.240 BOXING AND WRESTLING TAX		
Three month license	667.83	688.53
Per year	2,628.23	2,709.70
5.16.250 MOVING PICTURES TAX		
Per day City owned property	825.19	850.77
Per day Private property	647.86	667.95
10-20 days Nonresidentially zoned property	6,478.64	6,679.48
Still photography	54.23	55.91
5.16.260 OTHER AMUSEMENTS TAX		
Admission: Donation only per day	43.23	44.57
\$.25 and under per day	43.23	44.57
\$.25 to \$.50 per day	55.60	57.33
\$.51 and over per day	74.20	76.50

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5.16.270 NON-RESIDENTIAL BUILDINGS TAX		
Base fee - Properties under 1,000 sq. ft.	74.10	76.40
Owner occupied	37.05	38.20
Base fee - Properties over 1,000 sq. ft.		
First 1,000 sq. ft.	148.20	152.79
Owner occupied	74.10	76.40
Each additional 1,000 sq. ft.	14.82	15.28
5.20.040 ADVERTISEMENT FEES TAX		
One year	371.02	382.53
Six months	216.38	223.09
Three months	123.65	127.49
One month	49.45	50.99
5.32.090 BILLIARD AND POOL ROOMS TAX		
Per application	127.51	131.47
Each person named in application	25.53	26.33
Renewal	31.86	32.85
Each additional person not named	25.53	26.33
5.33.060 BINGO GAMES WRITTEN APPLICATION FEES		
Per application	121.36	125.12
Renewal	121.36	125.12
5.40.080 ESCORT BUREAUS APPLICATION		
Per application	695.68	717.24
Renewal	618.39	637.56
5.44.040 USE OF PUBLIC RIGHTS OF WAY		
Application processing fee	318.85	328.73



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5.60.090 SALES AND CLOSE-OUTS PERMIT RENEWALS		
Renewal additional 30 days	618.41	637.58
5.68.030 UNDERGROUND FACILITIES USE		
Per duct ft. per year	0.02	0.02
5.72.220 TAXI CAB DRIVERS PERMIT FEES		
Permit	31.86	32.85
5.72.230 TAXI CAB OWNERS PERMIT FEES		
Taxi - per year	371.02	382.53
Six months	216.38	223.09
Per day - New Years's Day only	21.62	22.29
Limited owner - per year	30.90	31.86
Temporary 30 days or less	37.09	38.24
6.16.020 DOG LICENSE REGULATIONS		
Transfer fee	4.68	4.82
6.16.050 DOG LICENSE FEES		
Spayed or neutered	14.60	15.05
Not spayed or neutered	29.17	30.08
6.16.060 DOG LICENSE REGULATIONS		
Time limit on fee payment	18.70	19.28
6.16.100 DOG LICENSE REGULATIONS		
Duplicate license tags	5.45	5.62

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6.20.090 REGULATIONS FOR KEEPING HORSES		
Per year	16.25	16.76
9.36.210 NOISE RESTRICTIONS - AMPLIFIED SOUND FEE FOR OPERATION		
Per day	82.60	85.16
9.48.030 FIRE HYDRANT CONNECTION PERMIT REQUIRED		
Permit fee	16.77	17.29
12.16.100 MOVING BUILDINGS ALONG STREETS - PERMIT, FEES, AND DEPOSITS		
A. Class A permit	26.80	27.63
B. Class B permit	167.65	172.85
C. Class C permit	167.65	172.85
D. Class D permit	268.22	276.53
E. Class E permit	553.23	570.38
12.16.120 RELOCATION PERMITS REQUIRED (MOVING BUILDINGS)		
APPLICATION FEE:		
For a building - minimum	N/A	N/A
For each dwelling unit, subject to building minimum	N/A	N/A
For buildings located outside the city	N/A	N/A
13.24.060 SEWER CONSTRUCTION & MAINTENANCE CHANGE TO Y OR T		
For permission to connect a house sewer to a public sewer	25.19	25.97

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13.24.400 SEWER DISCHARGE		
Permit to discharge objectionable substance	25.19	25.97
17.42.050 IN LIEU FEE (per square foot)		
10-49 Rental Units		
Sub-area A	TBD	TBD (4)
Sub-area B	1.04	1.07
Sub-area C	22.77	23.48
Sub-area D	20.70	21.34
50 + Rental Units		
Sub-area A	TBD	TBD (4)
Sub-area B	1.04	1.07
Sub-area C	31.05	32.01
Sub-area D	28.98	29.88
10-49 For Sale Units		
Sub-area A	39.33	40.55
Sub-area B	14.49	14.94
Sub-area C	23.81	24.54
Sub-area D	18.63	19.21
50 + For Sale Units		
Sub-area A	54.86	56.56
Sub-area B	19.67	20.27
Sub-area C	33.12	34.15
Sub-area D	25.88	26.68

(1) Adjusted by the Oct. 1 Consumer Price Index.

(2) As in the prior year, the following fee waivers per unit are applicable for projects with less than or equal to 50% affordable units:

- Very Low Household Income
- Low Household Income
- Moderate Household Income



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The following fee waiver per unit are applicable for projects with greater than 50% affordable units:

Very Low Household Income

Low Household Income

Moderate Household Income

The maximum fee waiver (Construction Tax and Building Permit combined) will not exceed \$125,000 per project.

As of July 1, 2006, for each City validated affordable dwelling unit provided on-site in a building complying with Green Building Practices Ordinance \$1,000 will be reimbursed from the Construction Tax revenue received from the project effective for plans submitted to the City for plan check review on or before December 20, 2008.

- (3) Rate established by State code.
- (4) The rental in-lieu fees for Sub-area A shall be determined (TBD) in accordance with the Keyser Marston Associates (KMA) study methodology at the time of application for payment of In-lieu fees for a rental housing project.