

# Agenda Report

June 6, 2011

**TO:** Honorable Mayor and City Council  
**THROUGH:** Finance Committee (June 6, 2011)  
**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:**

Pasadena Municipal Code Section 1.08.060 provides that all taxes, fees, and charges referred to in the code will be adjusted on July 1st 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 CPI for all urban consumers in the Los Angeles-Riverside-Orange County metropolitan areas increased by 2.3 percent between March 1, 2010 and March 1, 2011. The Fiscal Year (FY) 2012 Recommended Schedule of Taxes, Fees, and Charges was previously submitted to the City Council on May 9, 2011 Pursuant to Pasadena Municipal Code section 1.08.060 (C).

*Attachment A* shows the current rates of all taxes, fees, and charges affected by these provisions and the adjusted rates that would take effect July 1, 2011. Staff is recommending an increase of 2.3 percent to the flat amount tax rates to reflect the change in the most recent CPI data. 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. Further, the FY 2012 Grandstand Permit Application Tax, Rose Bowl Admission Tax, and Grandstand Seat Surcharge rates were approved by the City Council on December 13, 2010 and are not subject to change at this time.

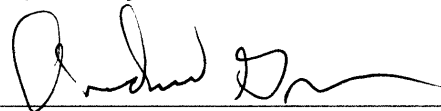
**COUNCIL POLICY CONSIDERATION:**

The City Council's strategic planning goal of maintaining fiscal responsibility and stability will be advanced by annually updating of the Schedule of Taxes, Fees, and Charges.

**FISCAL IMPACT:**

Adoption of the amendments to the *Schedule of Taxes Fees, and Charges* is expected to increase revenues in FY 2012 in the General Fund by approximately \$105,000 and other funds by \$190,000. These revenue projections have been factored into the General Fund five year plan, as well as the FY 2012 recommended operating budget.

Respectfully submitted,



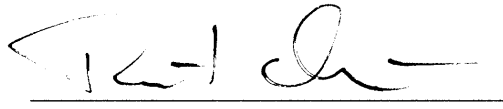
ANDREW GREEN  
Director of Finance  
Department of Finance

Prepared by:



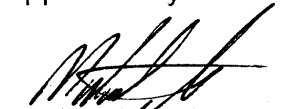
Richard Lam  
Management Analyst  
Department of Finance

Concurred by:



Richard Davis  
Budget Administrator  
Department of Finance

Approved by:



MICHAEL J. BECK  
City Manager

Attachments:

Attachment A - Recommended *Schedule of Taxes, Fees, and Charges for Fiscal Year 2012*

**CITY OF PASADENA  
SCHEDULE OF TAXES, FEES AND CHARGES**

<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2011 RATE</u>	<u>PROPOSED FY2012 RATE</u>
3.12.040 GRANDSTAND PERMIT APPLICATION TAX		
Per Seat	0.64	0.64 (1)
Minimum	38.40	38.54 (1)
3.16.07 TOURNAMENT OF ROSES PROGRAM PERMIT DEPOSIT FEES		
Fee	85.38	87.34
For each of the cards	0.15	0.15
4.17.050 RESIDENTIAL IMPACT FEE		
Per unit	N/A	N/A
Number of Bedrooms		
Studio	15,566.64	15,924.67
1	16,427.77	16,805.61
2	18,245.02	18,664.65
3	20,981.03	21,463.59
4	25,492.66	26,078.99
5 or more	28,814.50	29,477.23
Per Unit Fee for Affordable Housing pursuant to the Inclusionary Housing Regulations, Skilled Nursing Units, or Student Housing	806.72	825.27
Fee Reduction of 30 Percent for Non-Affordable Units if Affordable Housing is Built On-Site		
Studio	10,896.65	11,147.27
1	11,499.44	11,763.93
2	12,771.51	13,065.26
3	14,686.72	15,024.51
4	17,844.86	18,255.29
5 or more	20,170.15	20,634.06
4.19.040 TRAFFIC REDUCTION AND TRANSPORTATION IMPROVEMENT FEE		
New Industrial use per square foot	3.20	3.27
New Office use per square foot	3.84	3.92
New Retail use per square foot	8.89	9.09
New Residential use per new unit	2,556.88	2,615.69

**CITY OF PASADENA  
SCHEDULE OF TAXES, FEES AND CHARGES**

<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2011 RATE</u>	<u>PROPOSED FY2012 RATE</u>
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	1.49	1.50 (1)
4.52.020 SEWER USE TAX		
A. 100 cu. ft. - homes served under Ordinance	0.29	0.30
Maximum per year	137.59	140.75
B. 100 cu. ft. - homes not served under Ordinance	0.36	0.37
Minimum per month	11.41	11.67
C. 100 cu. ft. - all other sources	0.52	0.53
4.52.025 STORM DRAIN SEWER USE TAX		
Per unit of runoff quantity	32.66	33.41

**CITY OF PASADENA  
SCHEDULE OF TAXES, FEES AND CHARGES**

<u>MUNICIPAL CODE SECTION</u>		<u>ADOPTED FY2011 RATE</u>	<u>PROPOSED FY2012 RATE</u>
4.53.3	<b>SEWER FACILITIES CHARGE</b>		
	Per gallon charge for sewage discharged per day	6.38	6.53
	<u>Occupancy</u>		
	<u>Average Daily Flow</u>		
	Apartment Building: Bachelor or Single dwelling units		
	1 bedroom dwelling units		
	2 bedroom dwelling units		
	3 or more dwelling units		
	Auditoriums, churches, etc		
	Automobile parking		
	Bars, cocktail lounges, etc		
	Commercial Shops & Stores		
	Hospitals (surgical)		
	Hospitals (convalescent)		
	Hotels		
	Medical Buildings		
	Motels		
	Office Buildings		
	Restaurants, cafeterias, etc		
	Financial Institutions (banks)		
	Service Shop, Service Stations		
	Laundromat		
	Animal Kennel (shelter)		
	Nurseries/Greeneries		
	Warehousing, Open Storage (storage pace)		
	Indoor Theatre (movies)		
	Bowling, Skating Facilities		
	Golf Course		
	Mortuaries/Cemeteries		
	Schools:		
	Elementary or Jr. High		
	High Schools		
	Universities or Colleges		
	College Dormitories		
4.54.020	<b>STREET LIGHT &amp; TRAFFIC SIGNAL TAX</b>		
	Percentage of charges (first 1,000 KWH exempted)	7.43%	7.43%

**CITY OF PASADENA  
SCHEDULE OF TAXES, FEES AND CHARGES**

<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2011 RATE</u>	<u>PROPOSED FY2012 RATE</u>
<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%
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	33.77	34.55
Each residential unit of a multi-unit building which is not a condominium project	22.18	22.69
Each parcel of non-residential property	246.93	252.61
<b>BUSINESS LICENSE TAXES</b>		
5.04.040 BUSINESS LICENSE MAXIMUM TAX		
Maximum	54,845.31	56,106.75
5.10.030 COMBINATION BUSINESSES TAX		
Off-sale alcoholic licenses		
Additional per license	914.08	935.11
<b>BUSINESS LICENSE TAXES, CONTINUED</b>		
5.10.190 LICENSE TRANSFER TAX		
Per license	38.21	39.09
5.10.210 DUPLICATE LICENSE TAX		
Fee for duplicate	7.65	7.83

CITY OF PASADENA  
SCHEDULE OF TAXES, FEES AND CHARGES

<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2011 RATE</u>	<u>PROPOSED FY2012 RATE</u>
5.16.020 GENERAL BUSINESS TAX		
License tax	142.58	145.86
Each employee in excess of one	28.51	29.17
5.16.025 BUSINESS WITH TAKE-OUT SERVICE TAX		
Basic tax	285.15	291.71
Each employee in excess of one	57.04	58.35
5.16.030 PROFESSIONAL BUSINESS TAX		
First professional	380.20	388.95
For additional	190.10	194.47
Non-professional employee	28.51	29.17
5.16.040 COIN OPERATED MACHINES TAX		
A. Vending Machines		
1. Annual tax		
First \$5,000 gross receipts	153.02	156.54
Each additional \$1,000	7.61	7.78
2. Per year per machine		
\$.01 and under	7.61	7.78
.02 to .05	15.28	15.63
.06 to .10	38.21	39.09
.11 OR MORE	76.51	78.26
B. Music and Game Machines		
1. Annual Tax		
First \$5,000 Gross receipts	153.02	156.54
Each additional \$1,000	7.61	7.78
2. Per year per machine	153.02	156.54
5.16.050 SERVICE BUSINESS TAX		
License tax	142.58	145.86
Each employee in excess of one	28.51	29.17
5.16.070 NEW YEAR'S DAY RELATED BUSINESS TAX		
A. Temporary-food/merchandise		
1. Vendor	114.67	117.30
2. Solicitor or peddler	76.50	78.26
B. Grandstand seat surcharge	5.17	5.19 (1)

**CITY OF PASADENA  
SCHEDULE OF TAXES, FEES AND CHARGES**

<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2011 RATE</u>	<u>PROPOSED FY2012 RATE</u>
5.16.090 THEATERS TAX Per seat	1.96	2.01
5.16.100 JUNK AND REFUSE COLLECTORS TAX First four vehicles Each additional vehicle	382.53 191.20	391.32 195.60
5.16.120 RETAIL AND WHOLESALE DELIVERY TAX Per year	191.20	195.60
5.16.130 NEWSPAPERS AND ADVERTISING TAX License tax Each employee in excess of one	153.02 30.60	156.54 31.31
5.16.140 CHRISTMAS TREES TAX License tax	153.02	156.54
5.16.150 AUCTIONS TAX Per day	191.23	195.63
5.16.160 SELF-SERVICE MACHINES TAX A. First \$5,000 or less of gross receipts Each \$1,000 of gross receipts or fraction thereof in excess of \$5,000 B. License tax per year Per machine Each employee in excess of one C. Each machine in another licensed business	76.50 7.61 153.02 15.28 30.60 15.28	78.26 7.78 156.54 15.63 31.31 15.63
5.16.180 CONTRACTING & BUILDING TRADES (ANNUAL TAX) General engineering contractor General building contractor Specialty contractor Other building tradesman Six-month license-percentage of annual tax Three-month license-percentage of annual tax	1,147.61 765.07 573.82 573.82 60.00% 30.00%	1,174.00 (6) 782.66 (6) 587.02 (6) 587.02 (6) 60.00% 30.00%



**CITY OF PASADENA  
SCHEDULE OF TAXES, FEES AND CHARGES**

<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2011 RATE</u>	<u>PROPOSED FY2012 RATE</u>
5.16.190 RENTAL ACCOMMODATIONS TAX		
A. Hotel, Roominghouse, etc.		
Three rental accommodations	140.22	143.44
Each additional accommodation	15.28	15.63
B. Boarding Homes, Rest Homes, etc.		
First person accommodated	134.01	137.09
Each additional person	15.28	15.63
5.16.200 CIRCUS OR MENAGERIE TAX		
Per day	765.07	782.66
5.16.210 SIDE SHOW TAX		
Per day	68.33	69.90
5.16.220 ANIMALS TAX		
Per day	170.54	174.47
5.16.230 AMUSEMENT PARK TAX		
Per year - up to 5 devices	682.42	698.12
Per each device in excess of 5	170.54	174.47
5.16.240 BOXING AND WRESTLING TAX		
Three month license	688.53	704.37
Per year	2,709.70	2,772.02
5.16.250 MOVING PICTURES TAX		
Per day City owned property	850.77	870.34
Per day Private property	667.95	683.31
10-20 days Nonresidentially zoned property	6,679.48	6,833.11
Still photography	55.91	57.20
5.16.260 OTHER AMUSEMENTS TAX		
Admission: Donation only per day	44.57	45.59
\$.25 and under per day	44.57	45.59
\$.25 to \$.50 per day	57.33	58.65
\$.51 and over per day	76.50	78.26

**CITY OF PASADENA  
SCHEDULE OF TAXES, FEES AND CHARGES**

<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2011 RATE</u>	<u>PROPOSED FY2012 RATE</u>
5.16.270 NON-RESIDENTIAL BUILDINGS TAX		
Base fee - Properties under 1,000 sq. ft.	76.40	78.15
Owner occupied	38.20	39.08
Base fee - Properties over 1,000 sq. ft.		
First 1,000 sq. ft.	152.79	156.30
Owner occupied	76.40	78.15
Each additional 1,000 sq. ft.	15.28	15.63
5.20.040 ADVERTISEMENT FEES TAX		
One year	382.53	391.32
Six months	223.09	228.22
Three months	127.49	130.42
One month	50.99	52.16
5.32.090 BILLIARD AND POOL ROOMS TAX		
Per application	131.47	134.49
Each person named in applicator	26.33	26.93
Renewal	32.85	33.61
Each additional person not named	26.33	26.93
5.33.060 BINGO GAMES WRITTEN APPLICATION FEES		
Per application	125.12	128.00
Renewal	125.12	128.00
5.40.080 ESCORT BUREAUS APPLICATION		
Per application	717.24	733.74
Renewal	637.56	652.23
5.44.040 USE OF PUBLIC RIGHTS OF WAY		
Application processing fee	328.73	336.29
5.45.060 SEXUALLY ORIENTED BUSINESS		
A. Per application	328.73	336.29
Per employee	328.73	336.29
B. Per renewal	230.05	235.34
Per employee	230.05	235.34

**CITY OF PASADENA  
SCHEDULE OF TAXES, FEES AND CHARGES**

<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2011 RATE</u>	<u>PROPOSED FY2012 RATE</u>
5.48.110 MASSAGE ESTABLISHMENT PERMIT FEES		
A. Per application	164.37	168.15
Per employee	65.80	67.31
B. Per renewal	98.60	100.87
Per employee	32.85	33.61
5.56.030 LICENSE - PAWNBROKER OR SECONDHAND DEALER		
Secondhand Dealer - each establishment or place of business	19.61	20.06
Pawnbroker - each establishment or place of business	98.02	100.28
5.56.040 JUNK DEALER OR COLLECTOR		
Application -each establishment or place of business	196.04	200.55
For number of vehicles used in business:		
1 vehicle	None	None
2 to 4 vehicles	196.04	200.55
5 or more vehicles	98.02	100.28
5.60.070 SALES AND CLOSE-OUTS PERMIT FEES		
Permit for first 30 days	637.58	652.24
5.60.090 SALES AND CLOSE-OUTS PERMIT RENEWALS		
Renewal additional 30 days	637.58	652.24
5.68.030 UNDERGROUND FACILITIES USE		
Per duct ft. per year	0.02	0.02
5.72.220 TAXI CAB DRIVERS PERMIT FEES		
Permit	32.85	33.61
5.72.230 TAXI CAB OWNERS PERMIT FEES		
Taxi - per year	382.53	391.32
Six months	223.09	228.22
Per day - New Years's Day only	22.29	22.80
Limited owner - per year	31.86	32.59
Temporary 30 days or less	38.24	39.12

**CITY OF PASADENA  
SCHEDULE OF TAXES, FEES AND CHARGES**

<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2011 RATE</u>	<u>PROPOSED FY2012 RATE</u>
6.16.020 DOG LICENSE REGULATIONS Transfer fee	4.82	4.93
6.16.050 DOG LICENSE FEES Spayed or neutered	15.05	15.40
Not spayed or neutered	30.08	30.77
6.16.060 DOG LICENSE REGULATIONS Time limit on fee payment	19.28	19.72
6.16.100 DOG LICENSE REGULATIONS Duplicate license tags	5.62	5.75
6.20.090 REGULATIONS FOR KEEPING HORSES Per year	16.76	17.14
9.36.210 NOISE RESTRICTIONS - AMPLIFIED SOUND FEE FOR OPERATION Per day	85.16	87.12
9.48.030 FIRE HYDRANT CONNECTION PERMIT REQUIRED Permit fee	17.29	17.68
12.16.100 MOVING BUILDINGS ALONG STREETS - PERMIT, FEES, AND DEPOSITS A. Class A permit	16.00	16.00 (4)
B. Class B permit	172.85	176.83
C. Class C permit	172.85	176.83
D. Class D permit	276.53	282.89
E. Class E permit	570.38	583.50
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	25.97	26.57
13.24.400 SEWER DISCHARGE Permit to discharge objectionable substance	25.97	26.57

**CITY OF PASADENA  
SCHEDULE OF TAXES, FEES AND CHARGES**

<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2011 RATE</u>	<u>PROPOSED FY2012 RATE</u>	
17.42.050 IN LIEU FEE (per square foot)			
10-49 Rental Units			
Sub-area A	TBD	TBD	(5)
Sub-area B	1.07	1.09	
Sub-area C	23.48	24.02	
Sub-area D	21.34	21.83	
50 + Rental Units	-	0.00	
Sub-area A	TBD	TBD	(5)
Sub-area B	1.07	1.09	
Sub-area C	32.01	32.75	
Sub-area D	29.88	30.57	
10-49 For Sale Units			
Sub-area A	40.55	41.48	
Sub-area B	14.94	15.28	
Sub-area C	24.54	25.11	
Sub-area D	19.21	19.65	
50 + For Sale Units			
Sub-area A	56.56	57.86	
Sub-area B	20.27	20.74	
Sub-area C	34.15	34.93	
Sub-area D	26.68	27.29	

**NOTES:**

- (1) The City Council took action to increase the rates for Grandstand Permit Application, Rose Bowl Admission Tax, and New Year's Day Related Business Grandstand Seat Surcharge on December 13, 2010. Fees are adjusted on February 1st of each year per Municipal Code Section 1.08.060
- (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
 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.
- (3) Rate established by State code.
- (4) Maximum Rate established by State code.
- (5) The rental in-lieu fees for Sub-area A shall be determined (TBD) in accordance with the External Finance Consultant (Contracted by the Housing Department) at the time of application for payment of In-lieu fees for a rental housing project.
- (6) The City Council took action on 12/13/10 and approved an abatement credit for two years to the contractors' license fees under the Contracting and Building Trades Business License Ordinance 5.16.180 in the amount of 30% for the first year and an additional 30% for the second year.