

# Agenda Report

June 4, 2012

**TO:** Honorable Mayor and City Council

**THROUGH:** Finance Committee (May 14, 2012 and May 21, 2012)

**FROM:** City Manager

**SUBJECT: ANNUAL AMENDMENTS TO THE GENERAL FEE SCHEDULE**

**RECOMMENDATION:**

It is recommended that the City Council close the public hearing and adopt by resolution the Fiscal Year (FY) 2013 General Fee Schedule.

**BACKGROUND:**

Pursuant to Pasadena Municipal Code Section 1.08.070, the amount of any fee established by resolution of the City Council shall not exceed the cost incurred by the City in providing the services, use, action or item for which the fee is charged. Moreover, a written schedule of fees, designated the *General Fee Schedule*, adopted by resolution of the City Council, shall be filed with the City Clerk and shall be available for public inspection during regular business hours.

The FY 2013 Recommended General Fee Schedule was previously published for public review and comment on April 13, 2012, and, pursuant to Pasadena Municipal Code section 1.08.060 (C), presented to City Council on May 14, 2012. Since that time, the Rose Bowl Operating Company (RBOC) has developed fees related to new premium seating products, minor events and trademark royalties. These new RBOC fees are discussed in greater detail in this report and detailed in Attachment D. Also, the rates originally proposed for new Planning Department fees, General Plan Maintenance Fee and Technology Fee have been revised. While the originally proposed General Plan Maintenance Fee (0.35 percent) and the Technology Fee (0.48 percent) of Building Permit Valuation can be justified on cost of service basis, staff is revising the recommendation for both fees to 0.25 percent of Building Permit Valuation so as to not create a disincentive for private development.

The *General Fee Schedule* is reviewed annually to determine if there should be increases or decreases based on the cost of providing services, if new fees for new services are warranted, or if certain fees should be eliminated. Fees may also be held constant or increased by an amount equal to the change in the Consumer Price Index

(CPI) for the Los Angeles-Orange-Riverside counties for the preceding 12-month period ending March 1<sup>st</sup>, where applicable. For the most recent period, the CPI equaled 2.09 percent. Some fees are held constant due to various government codes related to the respective departments. The calculation of the fees was rounded down to the nearest dollar to facilitate the fee payments. With the exception of Public Health Vital Statistics fees and development related fees, the new fees will be effective on July 1, 2012. Pursuant to Assembly Bill 1053, the state-mandated portion of the Public Health Vital Statistics fees increased by \$5 on January 1, 2012. The state has mandated an additional \$2 increase effective January 1, 2013 (Health and Safety Code 103625.1.2). The third and final increase of \$2 included in AB 1053 will be effective January 1, 2014. Development related fees will be effective July 20, 2012. Pursuant to government code 66017 (A), changes to development fees shall be effective no sooner than 60 days following the final fee schedule adoption.

The *FY2013 Recommended General Fee Schedule (Attachment A)* is attached and is posted to the City's website for public review.

#### **NEW ROSE BOWL OPERATING COMPANY FEES:**

Attachment D includes an updated fee schedule for the RBOC. These fees are related specifically to premium seating, minor events, and trademark royalties. With the commencement of the Rose Bowl Renovation Project and the demolition of the Press Box structure, the stadium's premium seating is being completely rebuilt. In addition to the new suites, there are new premium seating products being offered, such as, loge boxes and club seats. Premium seating pricing was calculated upon market analysis conducted by Barrett Sports Group and verified by contractor Legends Hospitality Group, the Rose Bowl's premium seating sales agent. The minor event fees are based on comparative pricing with other similar venues in Southern California. Trademark royalties are based on industry standards, with the standard royalty rate for trademark licensing beginning at approximately eight percent. All RBOC fees are subject to a plus/minus variance of 25 percent at the General Manager's discretion. These fees, if approved, will be added to the fee schedule as presented in Attachment A.

#### **IMPLEMENTATION OF FY 2013 GENERAL FEE SCHEDULE:**

The General Fee Schedule shall take effect on July 1, 2012 except for Public Health Vital Statistics and Planning Department fees. The Vital Statistics fees will become effective on January 1, 2013, when the additional State-mandated fees become effective. Planning Department development related fees cannot become effective until 45 days after adoption; therefore, all Planning Department fees will be effective July 20, 2012. Human Services & Recreation programs and services fees became effective April 12, 2012 and will remain the same amount through FY 2013. Public Works Refuse fees are scheduled to be reviewed by City Council on June 4, 2012 and will be implemented based on City Council's action.

**COUNCIL POLICY CONSIDERATION:**

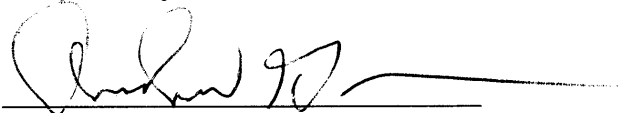
The City Council's strategic planning goal of maintaining fiscal responsibility and stability will be advanced through annual review and updating of the General Fee Schedule and by ensuring that, where appropriate, the City is reimbursed for the cost of providing selected services.

**FISCAL IMPACT:**

When adopted, the amendments to the *General Fee Schedule* are expected to increase revenues in FY 2013 in the General Fund by approximately \$122,000 and other funds by \$203,000. These revenue projections have been factored into the General Fund Five-Year Plan as well as the FY 2013 Recommended Operating Budget.

The Rose Bowl Operating Company fees are projected to increase annual revenues by approximately \$7.0 million. The total cost of the Rose Bowl Renovation project is \$152 million. It is anticipated that premium seating-related revenues will fund approximately 49 percent of the cost to repay the bonds issued to fund the renovation project.

Respectfully submitted,



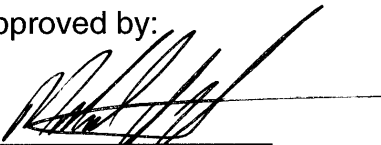
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Approved by:



MICHAEL J. BECK  
City Manager

Attachments: 4

- Attachment A – *Fiscal Year Recommended General Fee Schedule*
- Attachment B – *Deleted Fees*
- Attachment C – *New Fees*
- Attachment D – *New Rose Bowl Operating Company Fees*