

Agenda Report

TO: CITY COUNCIL **DATE:** May 15, 2006
THROUGH: FINANCE COMMITTEE (April 24, 2006)
FROM: CITY MANAGER
SUBJECT: SCHEDULE OF TAXES, FEES, AND CHARGES

RECOMMENDATION

It is recommended that the City Council:

1. Approve the scheduled rate increases per the attached Schedule of Taxes, Fees and Charges; and
2. Adopt a resolution establishing a Construction Tax rebate for each affordable dwelling unit included in a building complying with the Green Building Practices Ordinance (PMC Chapter 14.90) effective with the adoption of the 2006-2007 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 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 5.12% between March 1, 2005 and March 1, 2006.

The attached list is accordingly 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, 2006. 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. The 2007 Proposed Grandstand Permit Application Tax, Rose Bowl Admission Tax, and Grandstand Seat Surcharge rates were approved by Council on February 27, 2006. The fee for Relocation Permits Required for Moving Buildings is recommended to be deleted from the Schedule of Taxes, Fees and Charges because the City no longer provides this service. The Fiscal Year 2006 Residential Impact and In-Lieu Fees were approved by Council on October 3, 2005 and January 30, 2006, respectively. These fees will remain unchanged for Fiscal Year 2007 since they have been effective for less than one year, after which they will be adjusted annually by CPI.

On December 19, 2005 the City Council approved recommendations for creating a Green Building Practices Ordinance requiring certain buildings to comply with the Leadership in Energy and Environmental Design (LEED) green building rating system standards. Along with adopting standards, the City Council approved staff's recommendation to establish a construction tax rebate of \$1,000 for each affordable housing unit provided on-site for buildings that meet the requirements of the Green Building Practices Ordinance.

FISCAL IMPACT

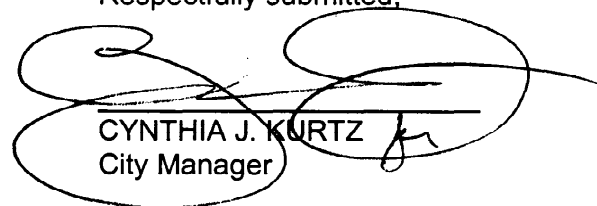
Implementation of all scheduled rate adjustments would increase estimated revenues for FY 2007 by the following amounts:

General Fund	\$220,000
Sewer Construction and Maintenance Fund	\$257,000
Library Special Tax Fund	\$80,000

The projected revenue from these increases will be incorporated into FY 2007 Operating Budget if approved by the City Council and have been factored into the City's five year financial plan for illustrative purposes.

Staff estimates construction tax credits to total \$150,000 for the initial eighteen month trial period. No allowance will be given for buildings were the construction tax credit exceeds the total construction tax for the entire building.

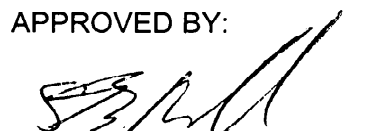
Respectfully submitted,


CYNTHIA J. KURTZ
City Manager

PREPARED BY:


Josephine F. Lewis
Accounting Administrator

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, 2006 - Effective July 1, 2006

<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2006 RATE</u>	<u>PROPOSED FY2007 RATE</u>	
3.12.040	GRANDSTAND PERMIT APPLICATION TAX		
Per Seat	0.54	0.58	(1)
Minimum	32.45	34.34	(1)
3.16.07	TOURNAMENT OF ROSES PROGRAM PERMIT DEPOSIT FEES		
Fee	76.11	80.01	
For each of the cards	0.13	0.14	
4.17.050	RESIDENTIAL IMPACT FEE		
Per unit	10,977.00	N/A	
Number of Bedrooms			
Studio	N/A	14,588.00	
1	N/A	15,395.00	
2	N/A	17,098.00	
3	N/A	19,662.00	
4	N/A	23,890.00	
5 or more	N/A	27,003.00	
4.19.040	NEW DEVELOPMENT IMPACT FEES		
Per square foot of new development	3.21	3.37	
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)

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<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2006 RATE</u>	<u>PROPOSED FY2007 RATE</u>
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	0.1050	0.11 (1)
Maximum	1.26	1.34 (1)
4.52.020 SEWER USE TAX		
A. 100 cu. ft. - homes served under Ordinance	0.19	0.20
Maximum per year	90.34	94.96
B. 100 cu. ft. - homes not served under Ordinance	0.24	0.25
Minimum per month	7.49	7.87
C. 100 cu. ft. - all other sources	0.34	0.36
4.52.025 STORM DRAIN SEWER USE TAX		
Per unit of runoff quantity	29.11	30.60
4.54.020 STREET LIGHT & TRAFFIC SIGNAL TAX		
Percentage of charges (first 1,000 KWH exempted)	7.43%	7.43%
UTILITY USER TAXES		
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%

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<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2006 RATE</u>	<u>PROPOSED FY2007 RATE</u>
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%
4.109.180 LIBRARY SPECIAL TAX		
Single family residence or residential unit in a residential condominium project	26.31	27.66
Each residential unit of a multi-unit building which is not a condominium project	17.10	17.97
Each parcel of non-residential property	193.40	203.30
BUSINESS LICENSE TAXES		
5.04.040 BUSINESS LICENSE MAXIMUM TAX		
Maximum	48,893.95	51,397.32
5.10.030 COMBINATION BUSINESSES TAX		
Off-sale alcoholic licenses Additional per license	814.89	856.62
5.10.190 LICENSE TRANSFER TAX		
Per license	34.07	35.81
5.10.210 DUPLICATE LICENSE TAX		
Fee for duplicate	6.82	7.17

CITY OF PASADENA
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<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2006 RATE</u>	<u>PROPOSED FY2007 RATE</u>
5.16.020 GENERAL BUSINESS TAX		
License tax	127.11	133.62
Each employee in excess of one	25.42	26.72
5.16.025 BUSINESS WITH TAKE-OUT SERVICE TAX		
Basic tax	254.21	267.23
Each employee in excess of one	50.85	53.45
5.16.030 PROFESSIONAL BUSINESS TAX		
First professional	338.95	356.30
For additional	169.47	178.15
Non-professional employee	25.42	26.72
5.16.040 COIN OPERATED MACHINES TAX		
A. Vending Machines		
1. Annual tax		
First \$5,000 gross receipts	136.41	143.40
Each additional \$1,000	6.78	7.13
2. Per year per machine		
\$.01 and under	6.78	7.13
.02 to .05	13.62	14.32
.06 to .10	34.07	35.81
.11 OR MORE	68.20	71.70
B. Music and Game Machines		
1. Annual Tax		
First \$5,000 Gross receipts	136.41	143.40
Each additional \$1,000	6.78	7.13
2. Per year per machine	136.41	143.40
5.16.050 SERVICE BUSINESS TAX		
License tax	127.11	133.62
Each employee in excess of one	25.42	26.72

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<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2006 RATE</u>	<u>PROPOSED FY2007 RATE</u>
5.16.070 NEW YEAR'S DAY RELATED BUSINESS TAX		
A. Temporary-food/merchandise		
1. Vendor	102.22	107.46
2. Solicitor or peddler	68.20	71.69
B. Grandstand seat surcharge	4.36	4.62 (1)
5.16.090 THEATERS TAX		
Per seat	1.75	1.84
5.16.100 JUNK AND REFUSE COLLECTORS TAX		
First four vehicles	341.02	358.48
Each additional vehicle	170.45	179.18
5.16.120 RETAIL AND WHOLESALE DELIVERY TAX		
Per year	170.45	179.18
5.16.130 NEWSPAPERS AND ADVERTISING TAX		
License tax	136.41	143.40
Each employee in excess of one	27.28	28.68
5.16.140 CHRISTMAS TREES TAX		
License tax	136.41	143.40
5.16.150 AUCTIONS TAX		
Per day	170.48	179.21

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<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2006 RATE</u>	<u>PROPOSED FY2007 RATE</u>
5.16.160 SELF-SERVICE MACHINES TAX		
A. First \$5,000 or less of gross receipts	68.20	71.69
Each \$1,000 of gross receipts or fraction thereof in excess of \$5,000	6.78	7.13
B. License tax per year	136.41	143.40
Per machine	13.62	14.32
Each employee in excess of one	27.28	28.68
C. Each machine in another licensed business	13.62	14.32
5.16.180 CONTRACTING & BUILDING TRADES (ANNUAL TAX)		
General engineering contractor	1023.08	1075.46
General building contractor	682.05	716.97
Specialty contractor	511.55	537.74
Other building tradesman	511.55	537.74
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	125.00	131.40
Each additional accommodation	13.62	14.32
B. Boarding Homes, Rest Homes, etc.		
First person accommodated	119.47	125.59
Each additional person	13.62	14.32
5.16.200 CIRCUS OR MENAGERIE TAX		
Per day	682.05	716.97
5.16.210 SIDE SHOW TAX		
Per day	60.91	64.03
5.16.220 ANIMALS TAX		
Per day	152.04	159.82

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<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2006 RATE</u>	<u>PROPOSED FY2007 RATE</u>
5.16.230 AMUSEMENT PARK TAX		
Per year - up to 5 devices	608.37	639.52
Per each device in excess of 5	152.04	159.82
5.16.240 BOXING AND WRESTLING TAX		
Three month license	613.82	645.25
Per year	2,415.67	2,539.35
5.16.250 MOVING PICTURES TAX		
Per day City owned property	758.45	797.28
Per day Private property	595.47	625.96
10-20 days Nonresidentially zoned property	5,954.68	6,259.56
Still photography	49.85	52.40
5.16.260 OTHER AMUSEMENTS TAX		
Admission: Donation only per day	39.73	41.77
\$.25 and under per day	39.73	41.77
\$.25 to \$.50 per day	51.11	53.72
\$.51 and over per day	68.20	71.69
5.16.270 NON-RESIDENTIAL BUILDINGS TAX		
Base fee - Properties under 1,000 sq. ft.	68.11	71.59
Owner occupied	34.05	35.80
Base fee - Properties over 1,000 sq. ft.		
First 1,000 sq. ft.	136.21	143.18
Owner occupied	68.11	71.59
Each additional 1,000 sq. ft.	13.62	14.32
5.20.040 ADVERTISEMENT FEES TAX		
One year	341.02	358.48
Six months	198.88	209.06
Three months	113.65	119.47
One month	45.45	47.78

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5.56.040 JUNK DEALER OR COLLECTOR		
Application -each establishment or place of business	174.77	183.72
For number of vehicles used in business:		
1 vehicle	None	None
2 to 4 vehicles	174.77	183.72
5 or more vehicles	87.39	91.86
5.60.070 SALES AND CLOSE-OUTS PERMIT FEES		
Permit for first 30 days	568.39	597.49
5.60.090 SALES AND CLOSE-OUTS PERMIT RENEWALS		
Renewal additional 30 days	568.39	597.49
5.68.030 UNDERGROUND FACILITIES USE		
Per duct ft. per year	0.02	0.02
5.72.220 TAXI CAB DRIVERS PERMIT FEES		
Permit	29.29	30.79
5.72.230 TAXI CAB OWNERS PERMIT FEES		
Taxi - per year	341.02	358.48
Six months	198.88	209.06
Per day - New Years's Day only	19.87	20.89
Limited owner - per year	28.40	29.85
Temporary 30 days or less	34.09	35.84
6.16.020 DOG LICENSE REGULATIONS		
Transfer fee	4.30	4.52

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<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2006 RATE</u>	<u>PROPOSED FY2007 RATE</u>
6.16.050 DOG LICENSE FEES		
Spayed or neutered	13.42	14.11
Not spayed or neutered	26.81	28.19
6.16.060 DOG LICENSE REGULATIONS		
Time limit on fee payment	17.19	18.07
6.16.100 DOG LICENSE REGULATIONS		
Duplicate license tags	5.01	5.27
6.20.090 REGULATIONS FOR KEEPING HORSES		
Per year	14.94	15.70
9.36.210 NOISE RESTRICTIONS - AMPLIFIED SOUND FEE FOR OPERATION		
Per day	75.92	79.81
9.48.030 FIRE HYDRANT CONNECTION PERMIT REQUIRED		
Permit fee	15.41	16.20
12.16.100 MOVING BUILDINGS ALONG STREETS - PERMIT, FEES, AND DEPOSITS		
A. Class A permit	24.63	25.89
B. Class B permit	154.09	161.98
C. Class C permit	154.09	161.98
D. Class D permit	246.53	259.15
E. Class E permit	508.49	534.52
12.16.120 RELOCATION PERMITS REQUIRED (MOVING BUILDINGS)		
APPLICATION FEE:		
For a building - minimum	117.11	N/A
For each dwelling unit, subject to building minimum	46.22	N/A
For buildings located outside the city	462.26	N/A

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<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2006 RATE</u>	<u>PROPOSED FY2007 RATE</u>
13.24.060 SEWER CONSTRUCTION & MAINTENANCE CHANGE TO Y OR T		
For permission to connect a house sewer to a public sewer	23.15	24.34
13.24.400 SEWER DISCHARGE		
Permit to discharge objectionable substance	23.15	24.34
17.42.050 IN LIEU FEE		
10-49 Rental Units		
Sub-area A	TBD	TBD (4)
Sub-area B	1.00	1.00
Sub-area C	22.00	22.00
Sub-area D	20.00	20.00
50 + Rental Units		
Sub-area A	TBD	TBD (4)
Sub-area B	1.00	1.00
Sub-area C	30.00	30.00
Sub-area D	28.00	28.00
10-49 For Sale Units		
Sub-area A	38.00	38.00
Sub-area B	14.00	14.00
Sub-area C	23.00	23.00
Sub-area D	18.00	18.00
50 + For Sale Units		
Sub-area A	53.00	53.00
Sub-area B	19.00	19.00
Sub-area C	32.00	32.00
Sub-area D	25.00	25.00

CITY OF PASADENA
SCHEDULE OF TAXES, FEES AND CHARGES
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<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2006 RATE</u>	<u>PROPOSED FY2007 RATE</u>
<p>(1) Adjusted by the Oct. 1 Consumer Price Index.</p> <p>(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.</p> <p style="padding-left: 40px;">As of July 1, 2006, for each City validated affordable dwelling unit provided on-site in a building complying with the 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.</p> <p>(3) Rate established by State code.</p> <p>(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.</p>		

RESOLUTION NUMBER. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA
AUTHORIZING THE REBATE OF CONSTRUCTION TAX FOR
AFFORDABLE DWELLING UNITS INCLUDED IN GREEN MULTI-FAMILY
RESIDENTIAL OR IN MIXED USE PROJECTS

WHEREAS on March 6, 2006, the City Council of the City of Pasadena adopted the Green Building Practices Ordinance mandating environmental practices be incorporated into certain buildings; and

WHEREAS the City Council of the City of Pasadena seeks to encourage environmentally sound, healthy, and affordable housing opportunities; and

WHEREAS the City Council of the City of Pasadena seeks to encourage affordable housing units in projects.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Pasadena, that the Fiscal Year 2006-2007 Schedule of Taxes, Fees and Charges is hereby supplemented and amended to read as follows as it pertains to fees for construction tax charged at building permit issuance:

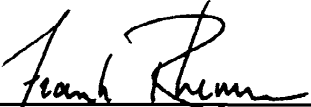
1. For each affordable dwelling unit provided on-site in a building complying with the Green Building Practices Ordinance, \$1,000 will be rebated from the Construction Tax.
2. This Resolution shall take effect immediately upon its adoption and will be effective for plans submitted to the City for plan check review on or before December 20, 2008.

Adopted on the _____ meeting of the City Council on the _____ day of _____, 2006, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Jane L. Rodriguez, CMC
City Clerk

Approved as to form:



Frank L. Rhemrev
Assistant City Attorney