

Agenda Report

May 14, 2012

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: City Manager

SUBJECT: SCHEDULE OF TAXES, FEES, AND CHARGES

RECOMMENDATION:

This report is for information only.

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 1st. 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 2.09 percent between March 1, 2011 and March 1, 2012.

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, 2012. Staff is recommending an increase of 2.09 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 2013 Grandstand Permit Application Tax, Rose Bowl Admission Tax, and Grandstand Seat Surcharge rates were approved by the City Council on December 12, 2011 and are not subject to change at this time.

The City Council took action on December 13, 2010 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 percent for the first year (FY 2012) and an additional 30 percent for the second year (FY 2013).

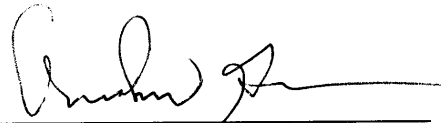
COUNCIL POLICY CONSIDERATION:

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:

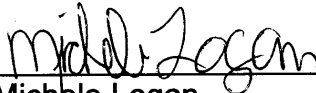
When adopted, the amendments to the *Schedule of Taxes, Fees, and Charges* are expected to increase the revenues in FY 2013 in the General Fund by approximately \$114, 294 and other funds by \$195,211. These revenue projections have been factored into the General Fund Five-Year Plan as well as the FY 2013 Recommended Operating Budget.

Respectfully submitted,



ANDREW GREEN
Director of Finance
Finance Department

Prepared by:



Michele Logan
Management Analyst
Finance Department

Approved by:



MICHAEL J. BECK
City Manager

Attachments: 1

Attachment A – FY 2013 Recommended Schedule of Taxes, Fees, and Charges

Attachment A

**CITY OF PASADENA
FISCAL YEAR 2013
SCHEDULE OF TAXES, FEES AND CHARGES**

<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2012 RATE</u>	<u>RECOMMENDED FY2013 RATE</u>
3.12.040 GRANDSTAND PERMIT APPLICATION TAX		
Per Seat	0.66 (1)	0.66 (1)
Minimum	39.73 (1)	39.73 (1)
3.16.07 TOURNAMENT OF ROSES PROGRAM PERMIT DEPOSIT FEES		
Fee	87.34	89.17
For each of the cards	0.15	0.16
4.17.050 RESIDENTIAL IMPACT FEE		
Per unit	N/A	N/A
Number of Bedrooms		
Studio	15,924.67	16,257.49
1	16,805.61	17,156.85
2	18,664.65	19,054.75
3	21,463.59	21,912.18
4	26,078.99	26,624.04
5 or more	29,477.23	30,093.30
Per Unit Fee for Affordable Housing pursuant to the Inclusionary Housing Regulations, Skilled Nursing Units, or Student Housing	825.27	842.52
Fee Reduction of 30 Percent for Non-Affordable Units if Affordable Housing is Built On-Site		
Studio	11,147.27	11,380.25
1	11,763.93	12,009.79
2	13,065.26	13,338.32
3	15,024.51	15,338.52
4	18,255.29	18,636.83
5 or more	20,634.06	21,065.31
4.19.040 TRAFFIC REDUCTION AND TRANSPORTATION IMPROVEMENT FEE		
New Industrial use per square foot	3.27	3.34
New Office use per square foot	3.92	4.01
New Retail use per square foot	9.09	9.28
New Residential use per new unit	2,615.69	2,670.36

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FISCAL YEAR 2013
SCHEDULE OF TAXES, FEES AND CHARGES**

<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2012 RATE</u>	<u>RECOMMENDED FY2013 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% (2)	1.92% (2)
4.36.020 REAL PROPERTY TRANSFER TAX		
For each \$500.00 of value	0.275 (3)	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 (1)	0.08 (1)
Additional charge per \$1.00	0.11 (1)	0.11 (1)
Maximum	1.55 (1)	1.55 (1)
4.52.020 SEWER USE TAX		
A. 100 cu. ft. - homes served under Ordinance	0.30	0.30
Maximum per year	140.75	143.70
B. 100 cu. ft. - homes not served under Ordinance	0.37	0.38
Minimum per month	11.67	11.92
C. 100 cu. ft. - all other sources	0.53	0.54
4.52.025 STORM DRAIN SEWER USE TAX		
Per unit of runoff quantity	33.41	34.11

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<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2012 RATE</u>	<u>RECOMMENDED FY2013 RATE</u>
4.53.3 SEWER FACILITIES CHARGE		
Per gallon charge for sewage discharged per day	6.53	6.66
<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 Stations	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 pace)	25 gal/1000 sq ft gross floor area	
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%

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<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2012 RATE</u>	<u>RECOMMENDED FY2013 RATE</u>
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%
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	34.55	35.27
Each residential unit of a multi-unit building which is not a condominium project	22.69	23.16
Each parcel of non-residential property	252.61	257.89
BUSINESS LICENSE TAXES		
5.04.040 BUSINESS LICENSE MAXIMUM TAX		
Maximum	56,106.75	57,279.39
5.10.030 COMBINATION BUSINESSES TAX		
Off-sale alcoholic licenses Additional per license	935.11	954.65
BUSINESS LICENSE TAXES, CONTINUED		
5.10.190 LICENSE TRANSFER TAX		
Per license	39.09	39.91
5.10.210 DUPLICATE LICENSE TAX		
Fee for duplicate	7.83	7.99

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<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2012 RATE</u>	<u>RECOMMENDED FY2013 RATE</u>
5.16.020 GENERAL BUSINESS TAX		
License tax	145.86	148.91
Each employee in excess of one	29.17	29.78
5.16.025 BUSINESS WITH TAKE-OUT SERVICE TAX		
Basic tax	291.71	297.81
Each employee in excess of one	58.35	59.57
5.16.030 PROFESSIONAL BUSINESS TAX		
First professional	388.95	397.08
For additional	194.47	198.54
Non-professional employee	29.17	29.78
5.16.040 COIN OPERATED MACHINES TAX		
A. Vending Machines		
1. Annual tax		
First \$5,000 gross receipts	156.54	159.81
Each additional \$1,000	7.78	7.95
2. Per year per machine		
\$.01 and under	7.78	7.95
.02 to .05	15.63	15.96
.06 to .10	39.09	39.91
.11 OR MORE	78.26	79.90
B. Music and Game Machines		
1. Annual Tax		
First \$5,000 Gross receipts	156.54	159.81
Each additional \$1,000	7.78	7.95
2. Per year per machine	156.54	159.81
5.16.050 SERVICE BUSINESS TAX		
License tax	145.86	148.91
Each employee in excess of one	29.17	29.78
5.16.070 NEW YEAR'S DAY RELATED BUSINESS TAX		
A. Temporary-food/merchandise		
1. Vendor	117.30	119.76
2. Solicitor or peddler	78.26	79.89
B. Grandstand seat surcharge	5.35 (1)	5.35 (1)

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<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2012 RATE</u>	<u>RECOMMENDED FY2013 RATE</u>	
5.16.090 THEATERS TAX Per seat	2.01	2.05	
5.16.100 JUNK AND REFUSE COLLECTORS TAX First four vehicles	391.32	399.50	
Each additional vehicle	195.60	199.69	
5.16.120 RETAIL AND WHOLESALE DELIVERY TAX Per year	195.60	199.69	
5.16.130 NEWSPAPERS AND ADVERTISING TAX License tax	156.54	159.81	
Each employee in excess of one	31.31	31.96	
5.16.140 CHRISTMAS TREES TAX License tax	156.54	159.81	
5.16.150 AUCTIONS TAX Per day	195.63	199.72	
5.16.160 SELF-SERVICE MACHINES TAX A. First \$5,000 or less of gross receipts	78.26	79.90	
Each \$1,000 of gross receipts or fraction thereof in excess of \$5,000	7.78	7.95	
B. License tax per year	156.54	159.81	
Per machine	15.63	15.96	
Each employee in excess of one	31.31	31.96	
C. Each machine in another licensed business	15.63	15.96	
5.16.180 CONTRACTING & BUILDING TRADES (ANNUAL TAX) General engineering contractor	1,174.00	1,198.54	(6)
General building contractor	782.66	799.02	(6)
Specialty contractor	587.02	599.28	(6)
Other building tradesman	587.02	599.28	(6)
Six-month license-percentage of annual tax	60.00%	60.00%	
Three-month license-percentage of annual tax	30.00%	30.00%	

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<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2012 RATE</u>	<u>RECOMMENDED FY2013 RATE</u>
5.16.190 RENTAL ACCOMMODATIONS TAX		
A. Hotel, Roominghouse, etc.		
Three rental accommodations	143.44	146.44
Each additional accommodation	15.63	15.96
B. Boarding Homes, Rest Homes, etc.		
First person accommodated	137.09	139.96
Each additional person	15.63	15.96
5.16.200 CIRCUS OR MENAGERIE TAX		
Per day	782.66	799.02
5.16.210 SIDE SHOW TAX		
Per day	69.90	71.36
5.16.220 ANIMALS TAX		
Per day	174.47	178.11
5.16.230 AMUSEMENT PARK TAX		
Per year - up to 5 devices	698.12	712.71
Per each device in excess of 5	174.47	178.11
5.16.240 BOXING AND WRESTLING TAX		
Three month license	704.37	719.09
Per year	2,772.02	2,829.96
5.16.250 MOVING PICTURES TAX		
Per day City owned property	870.34	888.53
Per day Private property	683.31	697.59
10-20 days Nonresidentially zoned property	6,833.11	6,975.92
Still photography	57.20	58.39
5.16.260 OTHER AMUSEMENTS TAX		
Admission: Donation only per day	45.59	46.55
\$.25 and under per day	45.59	46.55
\$.25 to \$.50 per day	58.65	59.87
\$.51 and over per day	78.26	79.90

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<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2012 RATE</u>	<u>RECOMMENDED FY2013 RATE</u>
5.16.270 NON-RESIDENTIAL BUILDINGS TAX		
Base fee - Properties under 1,000 sq. ft.	78.15	79.79
Owner occupied	39.08	39.89
Base fee - Properties over 1,000 sq. ft.		
First 1,000 sq. ft.	156.30	159.57
Owner occupied	78.15	79.79
Each additional 1,000 sq. ft.	15.63	15.96
5.20.040 ADVERTISEMENT FEES TAX		
One year	391.32	399.50
Six months	228.22	232.99
Three months	130.42	133.15
One month	52.16	53.25
5.32.090 BILLIARD AND POOL ROOMS TAX		
Per application	134.49	137.30
Each person named in application	26.93	27.49
Renewal	33.61	34.31
Each additional person not named	26.93	27.49
5.33.060 BINGO GAMES WRITTEN APPLICATION FEES		
Per application	128.00	130.67
Renewal	128.00	130.67
5.40.080 ESCORT BUREAUS APPLICATION		
Per application	733.74	749.07
Renewal	652.23	665.86
5.44.040 USE OF PUBLIC RIGHTS OF WAY		
Application processing fee	336.29	343.32
5.45.060 SEXUALLY ORIENTED BUSINESS		
A. Per application	336.29	343.32
Per employee	336.29	343.32
B. Per renewal	235.34	240.26
Per employee	235.34	240.26

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<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2012 RATE</u>	<u>RECOMMENDED FY2013 RATE</u>
5.48.110 MASSAGE ESTABLISHMENT PERMIT FEES		
A. Per application	168.15	171.67
Per employee	67.31	68.72
B. Per renewal	100.87	102.98
Per employee	33.61	34.31
5.56.030 LICENSE - PAWNBROKER OR SECONDHAND DEALER		
Secondhand Dealer - each establishment		
or place of business	20.06	20.48
Pawnbroker - each establishment		
or place of business	100.28	102.37
5.56.040 JUNK DEALER OR COLLECTOR		
Application -each establishment		
or place of business	200.55	204.74
For number of vehicles used in business:		
1 vehicle	None	None
2 to 4 vehicles	200.55	204.74
5 or more vehicles	100.28	102.37
5.60.070 SALES AND CLOSE-OUTS PERMIT FEES		
Permit for first 30 days	652.24	665.87
5.60.090 SALES AND CLOSE-OUTS PERMIT RENEWALS		
Renewal additional 30 days	652.24	665.87
5.68.030 UNDERGROUND FACILITIES USE		
Per duct ft. per year	0.02	0.02
5.72.220 TAXI CAB DRIVERS PERMIT FEES		
Permit	33.61	34.31
5.72.230 TAXI CAB OWNERS PERMIT FEES		
Taxi - per year	391.32	399.50
Six months	228.22	232.99
Per day - New Years's Day only	22.80	23.28
Limited owner - per year	32.59	33.27
Temporary 30 days or less	39.12	39.94

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FISCAL YEAR 2013
SCHEDULE OF TAXES, FEES AND CHARGES

<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2012 RATE</u>	<u>RECOMMENDED FY2013 RATE</u>
6.16.020 DOG LICENSE REGULATIONS Transfer fee	4.93	5.03
6.16.050 DOG LICENSE FEES Spayed or neutered	15.40	15.72
Not spayed or neutered	30.77	31.41
6.16.060 DOG LICENSE REGULATIONS Time limit on fee payment	19.72	20.14
6.16.100 DOG LICENSE REGULATIONS Duplicate license tags	5.75	5.87
6.20.090 REGULATIONS FOR KEEPING HORSES Per year	17.14	17.50
9.36.210 NOISE RESTRICTIONS - AMPLIFIED SOUND FEE FOR OPERATION Per day	87.12	88.94
9.48.030 FIRE HYDRANT CONNECTION PERMIT REQUIRED Permit fee	17.68	18.05
12.16.100 MOVING BUILDINGS ALONG STREETS - PERMIT, FEES, AND DEPOSITS		
A. Class A permit	16.00 (4)	16.00 (4)
B. Class B permit	176.83	180.52
C. Class C permit	176.83	180.52
D. Class D permit	282.89	288.81
E. Class E permit	583.50	595.69
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	26.57	27.12
13.24.400 SEWER DISCHARGE Permit to discharge objectionable substance	26.57	27.12
17.42.050 IN LIEU FEE (per square foot)		
10-49 Rental Units		
Sub-area A	TBD (5)	TBD (5)
Sub-area B	1.09	1.11
Sub-area C	24.02	24.52

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<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2012 RATE</u>	<u>RECOMMENDED FY2013 RATE</u>
Sub-area D	21.83	22.29
50 + Rental Units	0.00	0.00
Sub-area A	TBD (5)	TBD (5)
Sub-area B	1.09	1.11
Sub-area C	32.75	33.43
Sub-area D	30.57	31.20
10-49 For Sale Units		
Sub-area A	41.48	42.35
Sub-area B	15.28	15.60
Sub-area C	25.11	25.63
Sub-area D	19.65	20.06
50 + For Sale Units		
Sub-area A	57.86	59.07
Sub-area B	20.74	21.17
Sub-area C	34.93	35.66
Sub-area D	27.29	27.86

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 12, 2011. 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.