

# Agenda Report

June 10, 2013

**TO:** Honorable Mayor and City Council

**THROUGH:** Finance Committee (May 13, 2013)

**FROM:** City Manager

**SUBJECT: FISCAL YEAR 2014 SCHEDULE OF TAXES, FEES, AND CHARGES**

**RECOMMENDATION:**

It is recommended that the City Council close the public hearing and adopt the Fiscal Year (FY) 2014 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 1<sup>st</sup> of each year to reflect changes in the Consumer Price Index (CPI) during the 12 months which ended the preceding March 1<sup>st</sup>. 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 2.22 percent between March 1, 2012 and March 1, 2013. The FY 2014 Recommended Schedule of Taxes, Fees, and Charges was previously submitted to the City Council on May 13, 2013 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, 2013. Staff is recommending an increase of 2.22 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 2014 Grandstand Permit Application Tax, Rose Bowl Admission Tax, and Grandstand Seat Surcharge rates were approved by the City Council on February 11, 2013 and are not subject to change at this time.

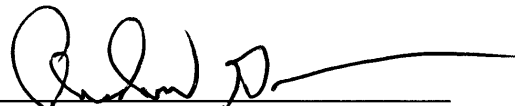
**COUNCIL POLICY CONSIDERATION:**

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

**FISCAL IMPACT:**

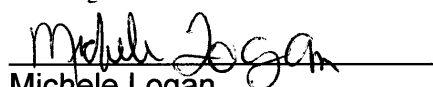
When adopted, the amendments to the *Schedule of Taxes, Fees, and Charges* are expected to increase the revenues in FY 2014 in the General Fund by approximately \$115,000 and other funds by \$200,000. These revenue projections have been factored into the FY 2014 Recommended Operating Budget.

Respectfully submitted,



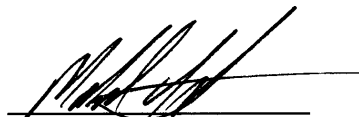
ANDREW GREEN  
Director of Finance  
Finance Department

Prepared by:



Michele Logan  
Management Analyst  
Finance Department

Approved by:



MICHAEL J. BECK  
City Manager

Attachments: 1

Attachment A – FY 2014 Recommended Schedule of Taxes, Fees, and Charges

**CITY OF PASADENA**  
**FISCAL YEAR 2014**  
**SCHEDULE OF TAXES, FEES AND CHARGES**

<b><u>MUNICIPAL CODE SECTION</u></b>		<b><u>ADOPTED FY2013 RATE</u></b>	<b><u>RECOMMENDED FY2014 RATE</u></b>
3.12.040	GRANDSTAND PERMIT APPLICATION TAX		
	Per Seat	0.67 (1)	0.67 (1)
	Minimum	40.59 (1)	40.59 (1)
3.16.07	TOURNAMENT OF ROSES PROGRAM PERMIT DEPOSIT FEES		
	Fee	89.17	91.15
	For each of the cards	0.16	0.16
4.17.050	RESIDENTIAL IMPACT FEE		
	Per unit	N/A	N/A
	Number of Bedrooms		
	Studio	16,257.49	16,618.41
	1	17,156.85	17,537.73
	2	19,054.75	19,477.76
	3	21,912.18	22,398.63
	4	26,624.04	27,215.10
	5 or more	30,093.30	30,761.38
	Per Unit Fee for Affordable Housing pursuant to the Inclusionary Housing Regulations, Skilled Nursing Units, or Student Housing	842.52	861.22
	Fee Reduction of 30 Percent for Non-Affordable Units if Affordable Housing is Built On-Site		
	Studio	11,380.25	11,632.89
	1	12,009.79	12,276.41
	2	13,338.32	13,634.43
	3	15,338.52	15,679.04
	4	18,636.83	19,050.57
	5 or more	21,065.31	21,532.96
4.19.040	TRAFFIC REDUCTION AND TRANSPORTATION IMPROVEMENT FEE		
	New Industrial use per square foot	3.34	3.41
	New Office use per square foot	4.01	4.09
	New Retail use per square foot	9.28	9.49
	New Residential use per new unit	2,670.36	2,729.64

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<b><u>MUNICIPAL CODE SECTION</u></b>		<b><u>ADOPTED FY2013 RATE</u></b>	<b><u>RECOMMENDED FY2014 RATE</u></b>
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)	0.281 (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	1.58 (1)	1.58 (1)
4.52.020	SEWER USE TAX		
	A. 100 cu. ft. - homes served under Ordinance	0.30	0.31
	Maximum per year	143.70	146.89
	B. 100 cu. ft. - homes not served under Ordinance	0.38	0.38
	Minimum per month	11.92	12.18
	C. 100 cu. ft. - all other sources	0.54	0.56
4.52.025	STORM DRAIN SEWER USE TAX		
	Per unit of runoff quantity	34.11	34.86

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4.53.3	SEWER FACILITIES CHARGE		
	Per gallon charge for sewage discharged per day	6.66	6.81
	<b><u>Occupancy</u></b>		
	<b><u>Average Daily Flow</u></b>		
	Apartment Building: Bachelor or Single dwelling units		
	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)	100 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	

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<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2013 RATE</u>	<u>RECOMMENDED FY2014 RATE</u>
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%
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	35.27	36.05
Each residential unit of a multi-unit building which is not a condominium project	23.16	23.68
Each parcel of non-residential property	257.89	263.61
<b>BUSINESS LICENSE TAXES</b>		
5.04.040 BUSINESS LICENSE MAXIMUM TAX		
Maximum	57,279.39	58,550.99
5.10.030 COMBINATION BUSINESSES TAX		
Off-sale alcoholic licenses		
Additional per license	954.65	975.84

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<u>MUNICIPAL CODE SECTION</u>		<u>ADOPTED FY2013 RATE</u>	<u>RECOMMENDED FY2014 RATE</u>
<b>BUSINESS LICENSE TAXES, CONTINUED</b>			
5.10.190	LICENSE TRANSFER TAX		
	Per license	39.91	40.79
5.10.210	DUPLICATE LICENSE TAX		
	Fee for duplicate	7.99	8.17
5.16.020	GENERAL BUSINESS TAX		
	License tax	149.91	153.24
	Each employee in excess of one	29.78	30.44
5.16.025	BUSINESS WITH TAKE-OUT SERVICE TAX		
	Basic tax	298.81	305.44
	Each employee in excess of one	59.57	60.89
5.16.030	PROFESSIONAL BUSINESS TAX		
	First professional	398.08	406.91
	For additional	198.54	202.95
	Non-professional employee	29.78	30.44
5.16.040	COIN OPERATED MACHINES TAX		
	A. Vending Machines		
	1. Annual tax		
	First \$5,000 gross receipts	160.81	164.38
	Each additional \$1,000	7.95	8.12
	2. Per year per machine		
	\$.01 and under	7.95	8.12
	.02 to .05	15.96	16.31
	.06 to .10	39.91	40.79
	.11 OR MORE	79.90	81.67
	B. Music and Game Machines		
	1. Annual Tax		
	First \$5,000 Gross receipts	160.81	164.38
	Each additional \$1,000	7.95	8.12
	2. Per year per machine	159.81	163.36

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5.16.050	SERVICE BUSINESS TAX		
	License tax	149.91	153.24
	Each employee in excess of one	29.78	30.44
5.16.070	NEW YEAR'S DAY RELATED BUSINESS TAX		
	A. Temporary-food/merchandise		
	1. Vendor	120.76	123.44
	2. Solicitor or peddler	80.89	82.69
	B. Grandstand seat surcharge	5.46 (1)	5.46 (1)
5.16.090	THEATERS TAX		
	Per seat	2.05	2.10
5.16.100	JUNK AND REFUSE COLLECTORS TAX		
	First four vehicles	400.50	409.39
	Each additional vehicle	199.69	204.12
5.16.120	RETAIL AND WHOLESALE DELIVERY TAX		
	Per year	200.69	205.14
5.16.130	NEWSPAPERS AND ADVERTISING TAX		
	License tax	160.81	164.38
	Each employee in excess of one	31.96	32.67
5.16.140	CHRISTMAS TREES TAX		
	License tax	160.81	164.38
5.16.150	AUCTIONS TAX		
	Per day	200.72	205.17



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5.16.160	SELF-SERVICE MACHINES TAX		
	A. First \$5,000 or less of gross receipts	80.90	82.69
	Each \$1,000 of gross receipts or fraction thereof in excess of \$5,000	7.95	8.12
	B. License tax per year	160.81	164.38
	Per machine	15.96	16.31
	Each employee in excess of one	31.96	32.67
	C. Each machine in another licensed business	15.96	16.31
5.16.180	CONTRACTING & BUILDING TRADES (ANNUAL TAX)		
	General engineering contractor	1,199.54 (6)	1,226.17 (6)
	General building contractor	800.02 (6)	817.78 (6)
	Specialty contractor	600.28 (6)	613.61 (6)
	Other building tradesman	600.28 (6)	613.61 (6)
	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	147.44	150.71
	Each additional accommodation	15.96	16.31
	B. Boarding Homes, Rest Homes, etc.		
	First person accommodated	140.96	144.09
	Each additional person	15.96	16.31
5.16.200	CIRCUS OR MENAGERIE TAX		
	Per day	800.02	817.78
5.16.210	SIDE SHOW TAX		
	Per day	72.36	73.97
5.16.220	ANIMALS TAX		
	Per day	179.11	183.09
5.16.230	AMUSEMENT PARK TAX		
	Per year - up to 5 devices	713.71	729.55
	Per each device in excess of 5	178.11	182.07

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5.16.240	BOXING AND WRESTLING TAX		
	Three month license	720.09	736.08
	Per year	2,830.96	2,893.81
5.16.250	MOVING PICTURES TAX		
	Per day City owned property	888.53	908.25
	Per day Private property	697.59	713.08
	10-20 days Nonresidentially zoned property	6,975.92	7,130.78
	Still photography	58.39	59.69
5.16.260	OTHER AMUSEMENTS TAX		
	Admission: Donation only per day	47.55	48.60
	\$.25 and under per day	47.55	48.60
	\$.25 to \$.50 per day	60.87	62.22
	\$.51 and over per day	80.90	82.69
5.16.270	NON-RESIDENTIAL BUILDINGS TAX		
	Base fee - Properties under 1,000 sq. ft.	80.79	82.58
	Owner occupied	39.89	40.78
	Base fee - Properties over 1,000 sq. ft.		
	First 1,000 sq. ft.	160.57	164.14
	Owner occupied	79.79	81.56
	Each additional 1,000 sq. ft.	15.96	16.31
5.20.040	ADVERTISEMENT FEES TAX		
	One year	400.50	409.39
	Six months	233.99	239.18
	Three months	134.15	137.12
	One month	54.25	55.45
5.32.090	BILLIARD AND POOL ROOMS TAX		
	Per application	138.30	141.37
	Each person named in application	27.49	28.10
	Renewal	35.31	36.09
	Each additional person not named	27.49	28.10

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5.33.060	BINGO GAMES WRITTEN APPLICATION FEES		
	Per application	130.67	133.57
	Renewal	130.67	133.57
5.40.080	ESCORT BUREAUS APPLICATION		
	Per application	750.07	766.73
	Renewal	666.86	681.66
5.44.040	USE OF PUBLIC RIGHTS OF WAY		
	Application processing fee	343.32	350.94
5.45.060	SEXUALLY ORIENTED BUSINESS		
	A. Per application	344.32	351.96
	Per employee	343.32	350.94
	B. Per renewal	241.26	246.62
	Per employee	240.26	245.59
5.48.110	MASSAGE ESTABLISHMENT PERMIT FEES		
	A. Per application	172.67	176.50
	Per employee	68.72	70.25
	B. Per renewal	103.98	106.28
	Per employee	34.31	35.07
5.56.030	LICENSE - PAWNBROKER OR SECONDHAND DEALER		
	Secondhand Dealer - each establishment		
	or place of business	21.48	21.95
	Pawnbroker - each establishment		
	or place of business	103.37	105.67
5.56.040	JUNK DEALER OR COLLECTOR		
	Application -each establishment		
	or place of business	205.74	210.31
	For number of vehicles used in business:		
	1 vehicle	None	None
	2 to 4 vehicles	205.74	210.31
	5 or more vehicles	103.37	105.67

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<b><u>MUNICIPAL CODE SECTION</u></b>		<b><u>ADOPTED FY2013 RATE</u></b>	<b><u>RECOMMENDED FY2014 RATE</u></b>
5.60.070	SALES AND CLOSE-OUTS PERMIT FEES Permit for first 30 days	666.87	681.68
5.60.090	SALES AND CLOSE-OUTS PERMIT RENEWALS Renewal additional 30 days	666.87	681.68
5.68.030	UNDERGROUND FACILITIES USE Per duct ft. per year	0.02	0.02
5.72.220	TAXI CAB DRIVERS PERMIT FEES Permit	35.31	36.09
5.72.230	TAXI CAB OWNERS PERMIT FEES Taxi - per year	400.50	409.39
	Six months	233.99	239.18
	Per day - New Years's Day only	24.28	24.82
	Limited owner - per year	34.27	35.03
	Temporary 30 days or less	40.94	41.85
6.16.020	DOG LICENSE REGULATIONS Transfer fee	5.03	5.15
6.16.050	DOG LICENSE FEES Spayed or neutered	15.72	16.07
	Not spayed or neutered	31.41	32.11
6.16.060	DOG LICENSE REGULATIONS Time limit on fee payment	20.14	20.58
6.16.100	DOG LICENSE REGULATIONS Duplicate license tags	5.87	6.00
6.20.090	REGULATIONS FOR KEEPING HORSES Per year	17.50	17.89
9.36.210	NOISE RESTRICTIONS - AMPLIFIED SOUND FEE FOR OPERATION Per day	88.94	90.92

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9.48.030 FIRE HYDRANT CONNECTION PERMIT REQUIRED		
Permit fee	18.05	18.45
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	180.52	184.53
C. Class C permit	180.52	184.53
D. Class D permit	288.81	295.22
E. Class E permit	595.69	608.92
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	27.12	27.72
13.24.400 SEWER DISCHARGE		
Permit to discharge objectionable substance	27.12	27.72
17.42.050 IN LIEU FEE (per square foot)		
10-49 Rental Units		
Sub-area A	TBD (5)	TBD (5)
Sub-area B	1.11	1.14
Sub-area C	24.52	25.06
Sub-area D	22.29	22.78
50 + Rental Units	0.00	0.00
Sub-area A	TBD (5)	TBD (5)
Sub-area B	1.11	1.14
Sub-area C	33.43	34.18
Sub-area D	31.20	31.90
10-49 For Sale Units		
Sub-area A	42.35	43.29
Sub-area B	15.60	15.95
Sub-area C	25.63	26.20

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Sub-area D 50 + For Sale Units	20.06	20.51
Sub-area A	59.07	60.38
Sub-area B	21.17	21.64
Sub-area C	35.66	36.45
Sub-area D	27.86	28.48

**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 February 11, 2013.
- (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) Per Council action, the fees receive a 60% abatement credit. Staff is still reviewing fees and recommends continuing the 60% abatement credit until the analysis is complete.