

Agenda Report

May 13, 2013

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Director of Finance

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

RECOMMENDATION:

It is recommended that the City Council:

1. Open the public hearing on the Fiscal Year (FY) 2014 Recommended Schedule of Taxes, Fees, and Charges;
2. Continue this public hearing to each subsequent regular meeting of the City Council at 7:00p.m., until May 20, 2013 or such other date as the City Council may determine, and at which time the City Council will be asked to close the public hearing and formally adopt the Fiscal Year 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 1st of each year to reflect changes in the Consumer Price Index (CPI) for the year ending 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 2.22 percent between March 1, 2012 and March 1, 2013.

Attachment A shows the current rates of all taxes, fees, and charges affected by these provisions and the proposed rates that would take effect July 1, 2013 if approved. 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.

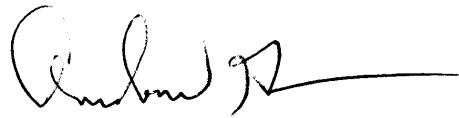
COUNCIL POLICY CONSIDERATION:

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:

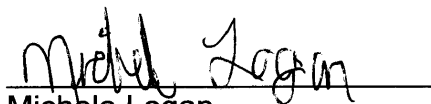
When adopted, the amendments to the *Schedule of Taxes, Fees, and Charges* are expected to increase the revenues in FY 2014 in the General Fund by approximately \$115,000 and other funds by \$200,000. These revenue projections have not been factored into the General Fund Five-Year Plan, or the FY 2014 Recommended Operating Budget.

Respectfully submitted,



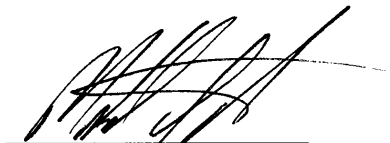
ANDREW GREEN
Director of Finance
Finance Department

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

<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2013 RATE</u>	<u>RECOMMENDED FY2014 RATE</u>
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

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

<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2013 RATE</u>	<u>RECOMMENDED FY2014 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)	0.281 (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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FISCAL YEAR 2014
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<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2013 RATE</u>	<u>RECOMMENDED FY2014 RATE</u>
4.53.3 SEWER FACILITIES CHARGE		
Per gallon charge for sewage discharged per day	6.66	6.81
<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)	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	

CITY OF PASADENA
FISCAL YEAR 2014
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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%
UTILITY USER TAXES		
4.56.030 TELEPHONE TAX Percentage of charges	8.28%	8.28%
4.56.040 ELECTRICITY TAX Commercial - percentage of charges Residential - percentage of charges	7.67% 7.67%	7.67% 7.67%
4.56.050 GAS TAX Commercial - percentage of charges Residential - percentage of charges	7.90% 7.90%	7.90% 7.90%
4.56.060 WATER TAX Commercial - percentage of charges Residential - percentage of charges	7.67% 7.67%	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 Each residential unit of a multi-unit building which is not a condominium project Each parcel of non-residential property	35.27 23.16 257.89	36.05 23.68 263.61
BUSINESS LICENSE TAXES		
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

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

<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2013 RATE</u>	<u>RECOMMENDED FY2014 RATE</u>
BUSINESS LICENSE TAXES, CONTINUED		
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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<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2013 RATE</u>	<u>RECOMMENDED FY2014 RATE</u>
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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<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2013 RATE</u>	<u>RECOMMENDED FY2014 RATE</u>
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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<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2013 RATE</u>	<u>RECOMMENDED FY2014 RATE</u>
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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<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2013 RATE</u>	<u>RECOMMENDED FY2014 RATE</u>
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 MESSAGE 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

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

<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2013 RATE</u>	<u>RECOMMENDED FY2014 RATE</u>
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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<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2013 RATE</u>	<u>RECOMMENDED FY2014 RATE</u>
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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<u>MUNICIPAL CODE SECTION</u>	<u>ADOPTED FY2013 RATE</u>	<u>RECOMMENDED FY2014 RATE</u>
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.