

City of Culver City, California
City Council Agenda Item Report

Meeting Date: May 23, 2005		Item Number: .	
AGENDA ITEM: Consideration of Adoption of a Resolution to Establish a Building Safety, Planning, Fire Prevention and Engineering Permit Fee Surcharge to Fund Digital Imaging and Storage of Plans and Documents and Technology Improvements and Maintenance to Enhance Customer Service.			
Contact Person/Dept.: Craig JOHNSON		Phone Number: 310-253-5802	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☒	Attachments: ☒
Public Notification <u>Non Legal Notification:</u> Emailed the Master Notification List on May 18, 2005 and published in the Culver City News on May 12 th and 19 th 2005.			
Department Approval: Susan Evans 4/28/05		CAO Approval:	
City Controller Approval:			

RECOMMENDATION:

That the City Council adopt a resolution to establish a Building Safety, Planning, Fire Prevention, and Engineering permit fee surcharge to fund digital imaging and storage of plans and documents and technology improvements and maintenance in order to enhance customer service.

BACKGROUND:

The Building Safety, Planning, Fire Prevention and Engineering Divisions currently maintain a paper file on each property in Culver City. These files include all permits, but may not include all correspondence, associated with each permit issued. Building Safety also has digital records of all construction activity in the City through its use of the permitting software "Permits Plus," which was instituted five years ago. Construction plans of completed projects are currently stored in the Building Safety plan check and storage room. When staff or a member of the public need to see a particular set of plans, it may take staff significant time to retrieve the documents.

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Three years ago, the Building Safety Division was allocated \$22,000 to begin digitally storing plans. Those funds have been exhausted through expenditures in three areas:

1. The majority of the former microfiche files have been converted to digital files.
2. A duplex scanner capable of scanning (up to) legal size documents has been purchased.
3. Building Safety currently shares the maintenance costs of the Public Works Engineering Division large format scanner, with the intention Building Safety may share the use of the scanner in the future.

Due to the Building Safety Division losing an Administrative Clerk position as part of the Fiscal Year 2003-2004 budget reductions, there is currently no staff person or staff time available to continue the digital imaging effort.

Culver City Building Safety Construction Permit Fees

Building Safety's permit fees were last updated in July 2002 through Council Resolution No. 2002-R084. Prior to that resolution, the Culver City Building Safety permit fees were very low compared to other jurisdictions in the Los Angeles Basin Area, and did not cover the annual operating costs of the Division. The current Building Safety permit fees cover the annual operating cost of the Division, and are updated every year based on the Consumer Price Index. However, the current fees do not make any provision to maintain accessible copies of plans and documents, or provide for technology upgrades to improve customer service.

Current Culver City Building Safety permit fees remain lower than neighboring jurisdictions (Attachment No. 1 - Fee Comparison) and most of these building safety divisions charge a fee to maintain copies of plans (Attachment No. 2 - Other Jurisdiction Comparison). Please also refer to the attached examples of recent receipts from the City of Los Angeles Department of Building Safety indicating plan maintenance and systems development surcharges. (Attachment No. 3 - Plan Check Receipt; and Attachment No. 4 - Permit Receipt.)

In addition, the overall permit fees charged by the four Culver City Divisions that typically review most permit applications (Building Safety, Planning, Engineering, and Fire Prevention) do not cover the *construction permit related* costs of the respective Divisions (Attachment No. 5 - Estimated Revenues vs. Expenditures of City Divisions that Review Permit Applications).

DISCUSSION

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California State law requires local jurisdictions to maintain copies of construction plans (with the exceptions noted below). State law authorizes the adoption of fees to pay for plan maintenance and requires jurisdictions to be accountable for the use of any funds collected.

California Health and Safety Code Section 19850; Maintenance and Copy of Building Plans: Requires Building Safety jurisdictions to maintain copies of all plans except for single and multiple dwellings, garages, farm or ranch buildings, and one story buildings with spans of less than 25 feet.

California Health and Safety Code Section 19132.3; Schedule of Fees, adoption of ordinance: Allows jurisdictions to recoup the costs of administering construction permits through permit fees, requires jurisdictions' permit fees not to exceed the costs reasonably required to administer construction permits, and states construction permit fees shall not be levied for general revenue purposes.

California Health and Safety Code Section 19852; Fee: Authorizes local jurisdictions to recoup the costs of maintaining official copies of construction plans through fees.

California Government Code Sections 66014, 60016 and 60017, Adoption of Building Permit Fees: Require a local jurisdiction (i) to establish building permit fees which do not exceed the estimated reasonable cost of providing the service for which the fee is charged, (ii) to give at least 14-days' written notice of the meeting at which the fees will be adopted to any person who has requested that notice (iii) to hold a regularly scheduled public meeting to receive testimony on the fees before adoption (iv) to make available to the public at least 10 days before the meeting date indicating the estimated cost required for the service and (v) to have the fees become effective no earlier than 60 days after adoption.

Staff recommends a 4% permit fee surcharge be established to fund digital imaging and storage of plans/documents and to fund technology improvements and maintenance in the Building Safety, Planning, Engineering, Parks and Fire Prevention Divisions and Information Technology Department. A 4% surcharge is reasonable compared to surcharges and permit fees in other jurisdictions. If an applicant supplies their own digital files in the correct format, one-half (1/2) of the surcharge fee would be waived. The actual cost for providing the above mentioned services is estimated to be \$50,000 per year based on construction activity at the current level.

Culver City's Building Safety Division permit fees for Fiscal Year 2003-2004 were approximately \$1.1 million. The total number of permits issued was 2,600. The total construction valuation was approximately \$55 million and the average permit fee for Fiscal Year 2003-2004 was \$390.

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If current construction levels remain the same in Fiscal Year 2005-2006, a 4% permit fee surcharge would result in additional revenues of approximately \$50,000, which is equal to the estimated cost of providing the additional services for the permit. On average, each applicant would be charged an additional \$22 per permit.

If the City Council approves a permit fee surcharge, then staff recommends all funds collected be given a separate account code, and all funds from that account be used solely for digital imaging and storage of plans and documents and technology improvements and maintenance in the Building Safety, Planning, Fire Prevention, Parks and Engineering Divisions and Information Technology Department. Staff also recommends that the Building Official and the City Controller be the designees required to approve all expenditures from the account.

If a 4% permit fee surcharge is approved by the City Council, staff proposes the funds be allocated in the following areas:

1. 50% to implement digital imaging and storage of plans and documents; and
2. 50% to fund technology improvements and Maintenance in the Building Safety, Planning, Parks, Fire Prevention, and Engineering Divisions and the Information Technology Department.

The recommended surcharge would eventually enable Building Safety to provide many technology upgrades that could result in improved customer service. Some examples might include:

1. An applicant would be able to apply for and receive permits (that don't require plan check) over the Internet or on a touch screen computer at the Building Safety counter. The applicant would then call for the appropriate inspection when ready.
2. An applicant would be able to view inspection results and permit application review comments over the Internet or on a computer at the Building Safety counter.
3. An applicant would be able to view all public information records over the Internet or on a computer at the Building Safety counter.
4. City inspectors would have mobile computing devices to enable digital input of inspection results and real time status of construction in Culver City.

FISCAL ANALYSIS:

The estimated \$50,000 in revenue that would be received from a 4% surcharge would be allocated in the following manner:

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- 1) Contract digital imaging services to be coordinated and approved by the Information Technology Department; and
- 2) Technology improvements and maintenance.

ATTACHMENTS:

1. Neighboring jurisdictions permit fees comparison;
2. Other jurisdictions permit fee surcharges;
3. Example of recent City of Los Angeles plan check receipt indicating surcharges;
4. Construction permit related costs vs. expenditures of four Culver City Divisions;
and
5. Resolution establishing a 4% Building Safety, Planning, Fire Prevention, and Engineering permit fee surcharge.

MOTION:

That the City Council:

Adopt a resolution establishing a Building Safety, Planning, Fire Prevention, and Engineering permit fee surcharge to fund digital imaging and storage of plans and documents and technology improvements and maintenance to enhance customer service.