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MEMORANDUM OF UNDERSTANDING
between
CITY OF LAGUNA WOODS
and
LAGUNA WOODS CIVIC SUPPORT FUND
related to
FUNDRAISING AND DISTRIBUTION OF FUNDS, AND INSURANCE

This MEMORANDUM OF UNDERSTANDING ("MOU"), is made and entered into this 19th day of April 2017 ("EFFECTIVE DATE"), by and among the City of Laguna Woods, a California municipal corporation ("CITY"), and the Laguna Woods Civic Support Fund, a nonprofit public benefit corporation ("CIVIC SUPPORT FUND").

In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. Fundraising and Distribution Authorization. Pursuant to Section 3.4 of the CIVIC SUPPORT FUND's Bylaws, the CIVIC SUPPORT FUND must receive prior written authorization from the City Council of the CITY for each program, project, or service for which the CIVIC SUPPORT FUND raises or distributes funds. In approving and executing this MOU, the City Council of the CITY authorizes the CIVIC SUPPORT FUND to raise and distribute funds for the following programs, projects, and services. Such authorization may be revoked at any time by written notice of the City Council of the CITY. In the event such notice is given, the CITY may require the CIVIC SUPPORT FUND to cease immediately all work in progress and the CIVIC SUPPORT FUND agrees that it shall do so without exception.
 - a) The CIVIC SUPPORT FUND is authorized to raise and distribute funds to support programs, projects, and services offered by or at the Laguna Woods branch of the County of Orange's public library system, as well as facilities improvement and expansion. In doing so, the CIVIC SUPPORT FUND is additionally authorized to conduct business under the alternate business name of "Friends of the Laguna Woods OC Library", pursuant to Section 1.2 of the CIVIC SUPPORT FUND's Bylaws.
 - b) The CIVIC SUPPORT FUND is authorized to raise and distribute funds to support programs, projects, and services related to attracting, retaining, and promoting Laguna Woods businesses.
 - c) The CIVIC SUPPORT FUND is authorized to raise and distribute funds to support the development and construction of capital improvement projects included in the Capital Improvement Program adopted by the City Council of the CITY.

The City Manager of the CITY is empowered to interpret the aforementioned authorizations on behalf of the City Council of the CITY.

2. Insurance. The CITY will defend, indemnify, and hold harmless the CIVIC SUPPORT FUND from and against any and all losses, liabilities, damages, costs and expenses, including attorney's fees and costs which arise out of, pertain to, or relate to the performance of the activities authorized by the City Council of the CITY, and included in this MOU, but only to the extent which liability protection is afforded under the Memorandum of Coverage-Primary Liability Program administered by the California Joint Powers Insurance Authority.
3. Termination. The CITY may terminate this MOU, with or without cause, at any time by giving thirty (30) calendar days written notice of termination to the CIVIC SUPPORT FUND.

IN WITNESS WHEREOF, the parties hereto have caused this MOU to be executed the day and year first above written.

CITY OF LAGUNA WOODS:

By _____
Shari L. Horne, Mayor

LAGUNA WOODS CIVIC SUPPORT FUND:

By _____
Carol Moore, Chair of the Board

APPROVED AS TO FORM:

By _____
David B. Cosgrove, City Attorney

6.15
MOULTON PARKWAY WATER EFFICIENT
MEDIAN IMPROVEMENT PROJECT
(NO REPORT)

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6.16

**PAVEMENT MANAGEMENT PLAN PROJECT 1)
EASTBOUND EL TORO ROAD (AVENIDA
SEVILLA TO PASEO DE VALENCIA) 2)
PEDESTRIAN ACCESSIBILITY
(NO REPORT)**

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7.1

**SIGN PROGRAM SP-1164 TO ALLOW FOR
VARIOUS SIGNAGE AT 24256-24290 EL TORO
ROAD AND 24310-24380 MOULTON
PARKWAY, LAGUNA WOODS, CA 92637**

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City of Laguna Woods Agenda Report

TO: Honorable Mayor and City Councilmembers

FROM: Christopher Macon, City Manager

FOR: April 19, 2017 Regular Meeting

SUBJECT: Sign Program SP-1164 to allow for various signage at 24256-24290 El Toro Road and 24310-24380 Moulton Parkway, Laguna Woods, CA 92637

Recommendation

1. Receive staff report.

AND

2. Open public hearing.

AND

3. Receive public testimony.

AND

4. Close public hearing.

AND

5. Approve a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, APPROVING SIGN PROGRAM SP-1164 TO

**ALLOW FOR VARIOUS SIGNAGE AT 24256-24290 EL TORO ROAD
AND 24310-24380 MOULTON PARKWAY, LAGUNA WOODS, CA 92637**

Background

The City has received a sign program application from The Floyd Company (Applicant) to allow for various signage at the Willow Tree Center.

Project Location: 24256-24290 El Toro Road &
 24310-24380 Moulton Parkway
 Laguna Woods, CA 92637

Surrounding land uses are listed in Table 1.

A vicinity map is included as Attachment A.

Table 1: Surrounding Land Uses

General Location	General Plan Land Use Designation	Land Use
North	Commercial / Residential Community	Willow Tree Center / Laguna Woods Village residences
South	Community Facilities / Open Space	Methodist Church / Laguna Woods Village open space/trails
East	Residential Community	Laguna Woods Village residences
West	Commercial / Open Space	Retail businesses and offices / Via Campo Verde

The project location is zoned as Community Commercial, which designates areas to “provide for the development and preservation of high intensity commercial uses which serve the local community and regional area and are compatible with surrounding residential uses” (Laguna Woods Municipal Code Section 13.10.010).

Sign programs are intended to “provide incentive and latitude to achieve effectiveness, attractive appearance, compatible design and variety in permanent signage” (Laguna Woods Municipal Code Section 13.20.160). The City Council is responsible for approving or denying sign programs, subject to certain minimum findings set forth in Laguna Woods Municipal Code.

Discussion

The Laguna Woods Municipal Code allows for sign regulations to be supplemented by a sign program approved by the City Council. In this case, a sign program is required due to the pending remodel of the shopping center, a proposed combination of more than three permanent signs, and proposed permanent signage that does not comply with the City's sign regulations (increases in size, increases in the number of signs permitted, and additional sign types are proposed).

The proposed sign program (Attachment B) includes both new and remodeled wall signs, shopping center identification (pylon) signs, monument signs, and pedestrian (blade) signs. For completeness, the proposal also includes the signs previously approved by the City Council under Sign Program SP-1124 for the pad building currently occupied by The Coffee Bean & Tea Leaf. Locations, dimensions, and additional design details are included in Exhibit B to Attachment B.

Environmental Review

This project is categorically exempt under Section 15311 (Accessory Structures) of the California Environmental Quality Act (CEQA) guidelines.

Fiscal Impact

The City's expenses associated with processing the proposed project are recovered through planning services fees.

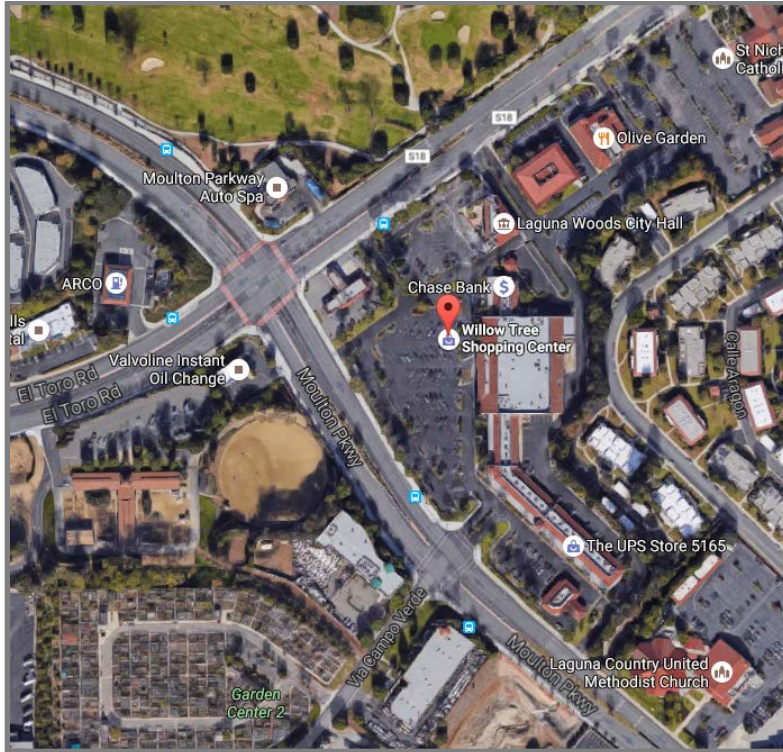
Report Prepared With: Rebecca M. Pennington, Development Programs Analyst

Attachments: A – Vicinity Map
B – Proposed Resolution
Exhibit A – Proposed Conditions of Approval
Exhibit B – Proposed Sign Program

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Vicinity Map
24256-24290 El Toro Road and 24310-24380 Moulton Parkway,
Laguna Woods, CA 92637

Project Area



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RESOLUTION NO. 17-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, APPROVING SIGN PROGRAM SP-1164 TO ALLOW FOR VARIOUS SIGNAGE AT 24256-24290 EL TORO ROAD AND 24310-24380 MOULTON PARKWAY, LAGUNA WOODS, CA 92637

WHEREAS, on April 19, 2017, the City Council of the City of Laguna Woods, after giving notice thereof as required by law, held a public hearing concerning the requested sign program, to allow for various signage at 24256-24290 El Toro Road and 24310-24380 Moulton Parkway in the Community Commercial District (CC); and

WHEREAS, the City Council has carefully considered all pertinent testimony, as well as all information contained in the agenda report prepared for this application, as presented at the public hearing; and

WHEREAS, staff has reviewed the environmental form submitted by the applicant in accordance with the City's procedures. Based upon the information received and staff's assessment of the information, the project has been determined to be categorically exempt pursuant to Section 15311 (Accessory Structures) of the California Environmental Quality Act (CEQA); and

WHEREAS, all legal prerequisites have occurred prior to the adoption of this resolution; and

WHEREAS, the City Council makes the following findings subject to the conditions of approval:

1. The proposed signs are well-designed, consistent with any design criteria otherwise applicable to the sign property, compatible with community character and harmonious with surrounding properties, buildings, and streetscapes.

The proposed sign program provides regulations for permanent signage that are easily visible, provide no undue safety distractions to pedestrians or motorists, and are aesthetically appealing and compatible with signage within the shopping center and surrounding properties.

2. The proposed signs are clear and legible in the circumstances in which they are seen, including for purposes of promoting awareness of local businesses and activities.

The proposed signage would help promote businesses and create a compatible appearance for signage throughout the shopping center. The proposed signs includes both new and remodeled wall signs, shopping center identification (pylon) signs, monument signs, and pedestrian (blade) signs, as well as the signs that were previously approved as part of Sign Program SP-1124 for the pad building currently occupied by The Coffee Bean & Tea Leaf. Locations, dimensions, and additional design details are included in Exhibit B. The proposed signs are similar in type as those commonly associated with similar businesses and shopping centers, and will help to promote visibility and safe circulation practices within the shopping center.

3. The proposed signs are appropriate to the type of business or activity to which they pertain.

The proposed sign program identifies signage that would be appropriate in type, location, size/scale, and design to the businesses within the shopping center.

4. The proposed signs are displayed in a manner that does not harm public health, safety and welfare.

As proposed, the signs permitted under the regulations within the sign program would not harm the public health, safety, and welfare. All new signs constructed pursuant to the sign program would be required to obtain all necessary planning and building approvals and permits. The proposed shopping center identification (pylon) and monument signs would be subject to the minimum setback requirements currently contained in the Laguna Woods Municipal Code, which help to promote visibility and safe circulation practices for vehicle ingress and egress. Additionally, Section 13.20.020(d) of the Laguna Woods Municipal Code requires all signs to be maintained in good condition and allows the City to “order the repair or removal of any sign that is unsafe, defective, damaged, or unsatisfactorily maintained.”

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The above recitals are true and correct.

SECTION 2. The City Council approves Sign Program SP-1164 subject to the conditions of approval found in Exhibit A and plans found in Exhibit B.

SECTION 3. The Deputy City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED AND ADOPTED on this XX day of XX 2017.

SHARI L. HORNE, Mayor

ATTEST:

YOLIE TRIPPY, Deputy City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF LAGUNA WOODS)

I, YOLIE TRIPPY, Deputy City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Resolution No. 17-XX** was duly adopted by the City Council of the City of Laguna Woods at a regular meeting thereof, held on the XX day of XX 2017, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

YOLIE TRIPPY, Deputy City Clerk

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Exhibit A to Resolution No. 17-XX

Conditions of Approval for Sign Program SP-1164

1. The proposed project shall be constructed, developed, used, operated, and permanently maintained in accordance with the terms of the application, plans, drawing, and conditions imposed in the resolution of approval.
2. The Applicant(s)/Owner(s) shall comply with all of the requirements of Resolution No. 17-XX, adopted as part of Sign Program SP-1164.
3. The Applicant(s)/Owner(s) shall comply with all requirements of the Laguna Woods Municipal Code, as it pertains to this application, and any signs erected and maintained pursuant to the approved sign program, and such requirements are made a condition of permit approval. This includes, but is not limited to, all requirements related to building permits, engineering review, and plan review, generally, of proposed construction plans.
4. This approval does not eliminate the need for building permits or include any action or finding as to compliance or approval of any other applicable federal, state or local ordinance, regulation, rule, or requirements. All project signage shall be reviewed and constructed under separate permits.
5. Except as otherwise provided herein, or as permitted pursuant to the Laguna Woods Municipal Code, this approval is for the location and design of the specified signage shown on Exhibit B to Resolution No. 17-XX only. No additional approval is granted or to be implied.
6. The height of the shopping center identification (pylon) sign shown on page 15 of Exhibit B to Resolution No. 17-XX shall be limited to 25 feet.
7. A proposed sign program change may be submitted to the City Manager for any relocation, alteration, or addition to any feature or material not specifically approved in the original application. If the City Manager determines, in his or her reasonable discretion, that the proposed sign program change proposes non-substantial deviations from the approved sign program, and still complies with the provisions, spirit, intent, and findings of this approval action, the proposed sign program change may be approved by the City Manager without requiring a new public hearing or City Council approval. Notwithstanding the

ITEM 7.1 – Exhibit A to Attachment B

foregoing, the City Manager may refer any such determination to the City Council, or for additional public hearing.

8. All signs erected and maintained pursuant to the approved sign program shall be kept clean, complete, and in good structural and functional working order, and shall not be allowed to fall into a state of disrepair, damage, or decrepitude.
9. Graffiti on the property shall be removed at the Applicant(s)/Owner(s)' expense within 24 hours.
10. In accordance with policies adopted by the City, the Applicant(s)/Owner(s) shall reimburse the City for any cost incurred as a result of local law enforcement activities or code enforcement investigation/inspections that result in a finding of violation of any applicable laws and/or conditions of approval.
11. Termination: Upon approval, the permit shall become null and void 180 days after such time the approved use at the approved location ceases to be operated as noted by lapse of City business license, lapse of California State Board of Equalization permit, or date noted by city official with proper site verification of abandonment or discontinuance. This permit shall be deemed immediately terminated should the approved location be occupied by a use not in accord with this approval.
12. The Applicant(s)/Owner(s), or successor in interest, shall as a condition of issuance of this permit, at its sole expense, defend, indemnify, and hold harmless the City and its respective elected and appointed boards, officials, officers, agents, employees and volunteers from any claim, action, or proceeding against the City and its respective elected and appointed boards, officials, officers, agents, employees and volunteers to attach, set aside, void or annul an approval of the City Council, Planning Agency, or other decision-making body, or staff action concerning this sign program approval, or its implementation. The Applicant(s)/Owner(s) shall pay all of the City's defense costs incurred by counsel of the City's choosing, and shall reimburse the City for any and all court costs and other parties' attorney fees that the City may be required by a court to pay as a result of such defense. The Applicant(s)/Owner(s) may at its sole discretion participate in the defense of any such action under this condition, with its own counsel.

WILLOW TREE CENTER

24256 - 24290 El Toro Rd., 24310 - 24380 Moulton Pkwy

S I G N P R O G R A M

Laguna Woods, California



PROJECT
DIRECTORY

LANDLORD: THE FLOYD COMPANY
191 E. Main St., Suite 2C
Tustin, CA 92780
Tel. 949-250-8500 x102
Fax. 949-435-3656

ARCHITECT: Architects Orange
144 N. Orange Street / Orange, CA 92866
P 714.639.9860

CONSULTANT: JONES SIGN
9025 BALBOA AVENUE, STE 150
SAN DIEGO, CA 92123-1520
TEL (858) 569-1400 x106
FAX (858) 569-1453



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A INTRODUCTION

The intent of this sign criteria is to provide the guidelines necessary to achieve a visually coordinated, balanced and appealing sign environment, harmonious with the architecture of the project, while maintaining provisions for individual graphic expression.

Performance of this sign criteria shall be rigorously enforced and any nonconforming sign shall be removed by the tenant or his sign contractor at their expense, upon demand by the Landlord.

Exceptions to these standards shall not be permitted without approval from the Landlord and will require approval of a modification to the sign program application by the City.

Accordingly, the Landlord will retain full rights of approval for any sign used in the center.

No sign shall be installed without the written Landlord approval and the required City permits.

Any information not covered within this sign program will default to the Laguna Woods Municipal Code regulations.

Existing signs not subject to the terms of this criteria.

B LANDLORD/TENANT REQUIREMENTS

1. Each Tenant shall submit to Landlord for written approval, three (3) copies of the detailed shop drawings of this proposed sign, indicating conformance with the sign criteria herein outlined.
2. The Landlord shall determine and approve the availability and position of a Tenant name on any ground sign(s).
3. The Tenant shall pay for all signs, related materials and installation fees (including final inspection costs).
4. The Tenant shall obtain all necessary permits and permit fees.
5. The Tenant shall be responsible for fulfillment of all requirements of this sign criteria.
6. It is the responsibility of the Tenant's sign company to verify all conduit and transformer locations and service access prior to fabrication.
7. Should a sign be removed, it is the Tenant's responsibility to patch all holes, paint surface to match the existing color, and restore surface to original condition.



C GENERAL SIGN CONSTRUCTION REQUIREMENTS:

1. All signs and their installation shall comply with all local building and electrical codes.
2. All electrical signs will be fabricated by a U.L. approved sign company, according to U.L. specifications and bear U.L. Label.
3. Sign company to be fully licensed with the City and State and shall have full Workman's Compensation and general liability insurance.
4. All penetrations of building exterior surfaces are to be sealed waterproof in color and finish to match existing exterior.
5. Internal illumination to be LED, installed and labeled in accordance with the "National Board of Fire Underwriters Specifications".
6. Painted surfaces to have a satin finish. Only paint containing acrylic polyurethane products may be used.
7. Logo and letter heights shall be as specified and shall be determined by measuring the normal capital letter of a type font exclusive of swashes, ascenders, and descenders.
8. All sign fabrication work shall be of excellent quality. All logo images and type-styles shall be accurately reproduced. Lettering that approximates type-styles will not be acceptable. The Landlord reserves the right to reject any fabrication work deemed to be below standard.
9. All lighting must match the exact specification of the approved working drawings. No exposed conduits or raceways will be allowed.
10. Signs must be made of durable rust -inhibiting materials that are appropriate and complimentary to the building.
11. Color coatings shall exactly match the colors specified on the approved plans.
12. Joining of materials (e.g., seams) shall be finished in way as to be unnoticeable. Visible welds shall be continuous and ground smooth. Rivets, screws, and other fasteners that extend to visible surfaces shall be flush, filled, and finished so as to be unnoticeable.
13. Finished surfaces of metal shall be free from oil canning and warping. All sign finishes shall be free from dust, orange peel, drips, and runs and shall have a uniform surface conforming to the highest standards of the industry.
14. In no case shall any manufacturer's label be visible from the street from normal viewing angles.
15. Exposed raceways are not permitted.
16. Exposed junction boxes, lamps, tubing or neon crossovers of any type are not permitted.

D SHOP TENANT SIGNAGE SPECIFICATIONS:

The intent of this criteria is to insure a standardized uniform style throughout the center while encouraging the creativity of typographical and iconic elements to develop interest and style. Signs must be architecturally compatible with the entire center.

STOREFRONT SIGNAGE

The following types of construction will be allowed:

- Acrylic face channels letters, logos or icons with through face illumination.
- Acrylic face channels letters, logos or icons with through face and halo illumination.
- Reverse pan channels letters, logos or icons with halo illumination.

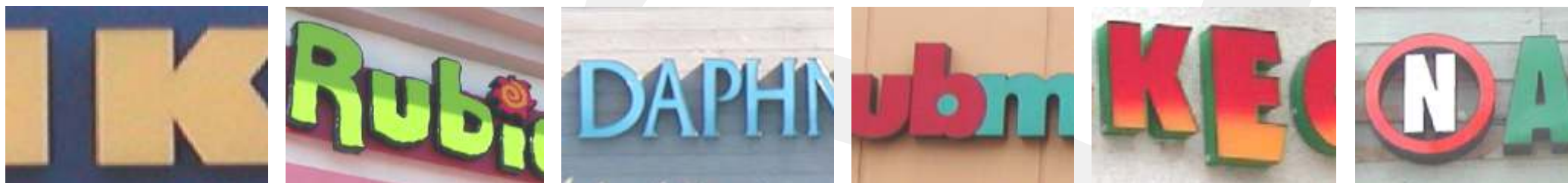
In order to allow creativity and artistic designs, ascending and descending shapes will be allowed to extend beyond the envelope limits provided that the overall allocated square footage is not exceeded. In other words, these areas shall be calculated individually and added to the “boxed” area for the main sign body. (See diagram below)



Descending letter element

Descender: (The part of the lowercase letters, such as g, p, and y, which extends below the other lowercase letters)

Irregular shaped icons & logos should be considered in sign design for increased visual impact.



E PROHIBITED SIGNS:

1. Signs constituting a Traffic Hazard:

No person shall install or maintain, or cause to be installed or maintained, any sign which simulates or imitates in size, color, lettering or design any traffic sign or signal, or which makes use of the words "STOP", "LOOK", "DANGER" or any words, phrases, symbols, or characters in such a manner as to interfere with, mislead or confuse traffic.

2. Signs in Proximity to Utility Lines:

Signs which have less horizontal or vertical clearance from authorized communication or energized electrical power lines that are prescribed by the laws of the State of California are prohibited.

3. Signs painted directly on a building surface will not be permitted.

4. Wall signs may project above the top of a parapet, the roof line at the wall, or roof line.

5. There shall be no signs that are flashing, moving or audible.

6. Billboard Signs are not permitted.

7. No standard plex faced cabinet construction allowed.

Note: A full list of prohibited signs can be found in the Laguna Woods Municipal Code.

F ABANDONMENT OF SIGNS:

Any tenant sign left after thirty (30) days from vacating premises shall become the property of Landlord. Abandoned signs shall be removed within 90 days after premises vacated.

G INSPECTION:

Landlord reserves the right to hire an independent electrical engineer at the Tenant's sole expense to inspect the installation of all Tenant's signs and to require the Tenant to have any discrepancies and/or code violations corrected at the Tenant's expense.

H MAINTENANCE:

It is the Tenant's responsibility to maintain their signs in proper working and clean conditions at all times. Otherwise, landlord reserves the right to hire his own contractor, make the necessary corrections, and bill tenant should it be deemed necessary.

I GROUND SIGN PANEL SPECIFICATIONS

1. All background panels to be the same color.

2. All panels to be opaque allowing only words and logos to illuminate.

3. Vacant panels to have solid color panel inserts. No reversing of panels used to identify former tenants permitted.



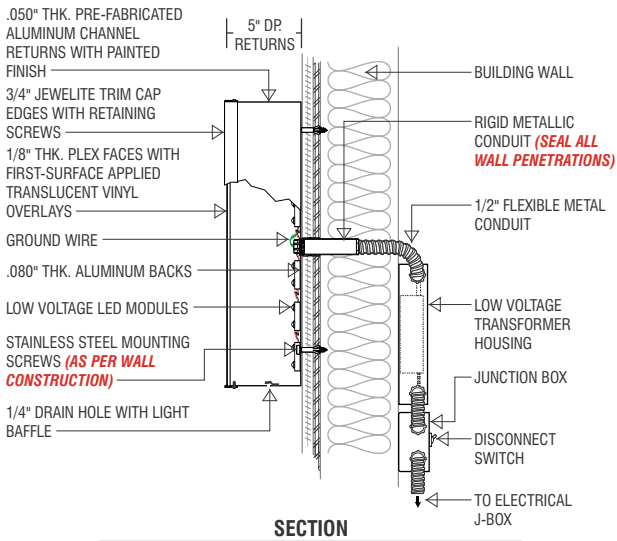
SIGN CONSTRUCTION

- Type 1
Plex faced channels with through face illumination.
- Type 2
Plex faced channels with through face and halo illumination.
- Type 3
Reverse pan channels with halo illumination.
- Type 4 (MAJOR TENANT ONLY)
Plex faced cabinet with through face illumination.

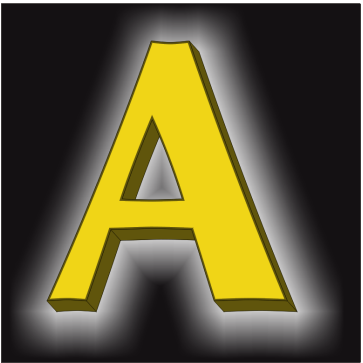
Use standard aluminum construction with Matthews satin acrylic polyurethane finish. Illuminate with LEDs Paint aluminum channel and or trim any color.



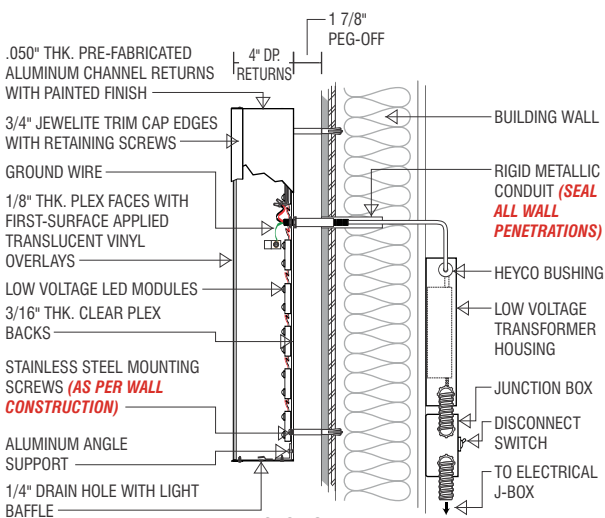
Section 1
LEXAN FACED CHANNEL WITH THROUGH FACE ILLUMINATION



SECTION
SIGN TO BE UL APPROVED AND BEAR UL LABEL
PLEX FACED CHANNEL LETTERS WITH LED ILLUMINATION



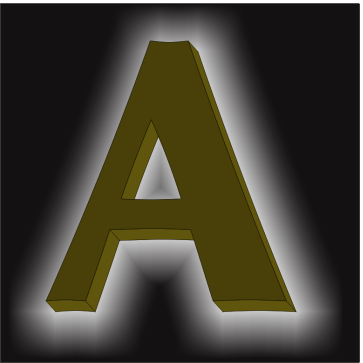
Section 2
LEXAN FACED CHANNEL WITH THROUGH FACE AND HALO ILLUMINATION.



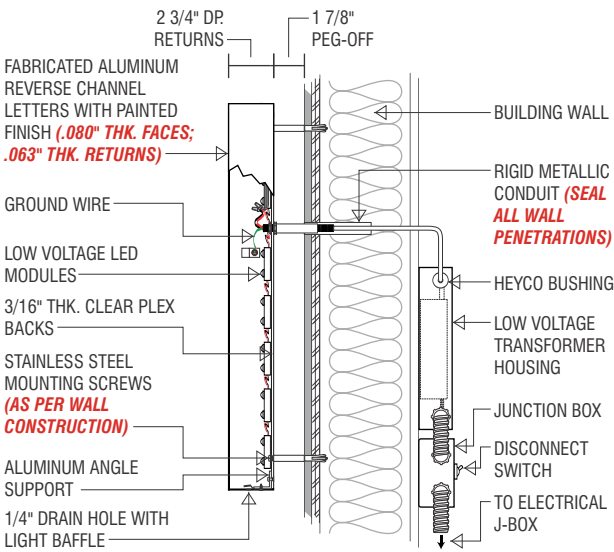
SECTION 2
SIGN TO BE UL APPROVED AND BEAR UL LABEL
PLEX FACED CHANNEL LETTERS WITH THROUGH FACE & HALO LED ILLUMINATION



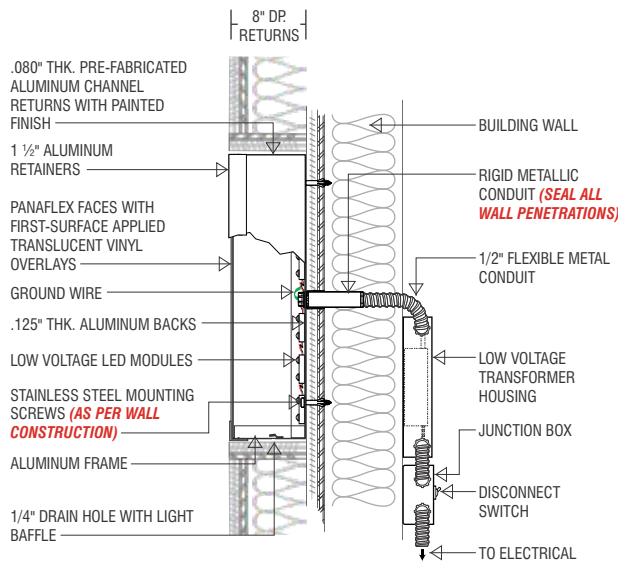
Section 4
LEXAN FACED CABINET WITH THROUGH FACE ILLUMINATION



Section 3
REVERSE PAN CHANNEL WITH HALO ILLUMINATION

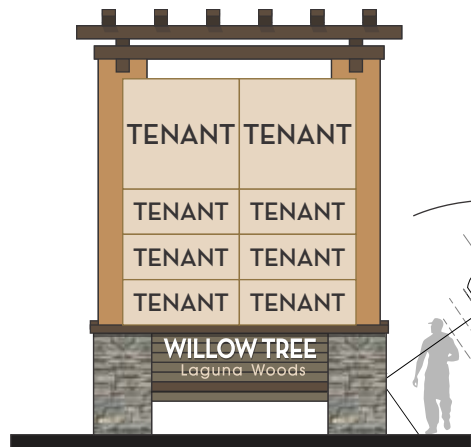


SECTION C
SIGN TO BE UL APPROVED AND BEAR UL LABEL
REVERSE PAN CHANNEL LETTERS WITH LED ILLUMINATION



SECTION
SIGN TO BE UL APPROVED AND BEAR UL LABEL
PLEX FACED CABINET WITH LED ILLUMINATION

A diagram of a pad tenant unit. It consists of a small, square, tan-colored structure with a white door. The words "PAD" and "TENANT" are printed in bold, black, sans-serif capital letters on the front of the unit. To the right of the unit, a grey silhouette of a person wearing a hard hat and holding a phone to their ear is shown. The unit sits on a dark grey base.



B



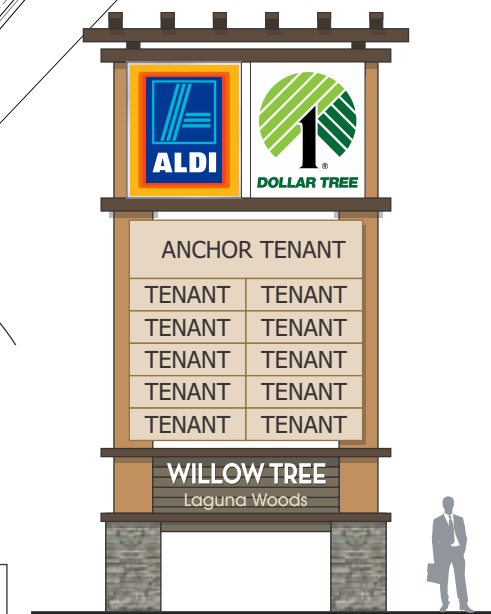
EXISTING SIGN



EXISTING SIGN



C



EXISTING SIGN

WILLOW TREE CENTER



SIZE: 1.5 SQUARE FOOT OF SIGN AREA PER LINEAR FOOT OF FRONTAGE OF LEASED PREMISES.
CONSTRUCTION: SEE PAGE 7 FOR AVAILABLE TYPES
ILLUMINATION: YES
COPY: TENANT NAME AND / OR LOGO
HEIGHT: SEVENTY FIVE PERCENT OF ADJACENT SURFACE
LENGTH: SEVENTY FIVE PERCENT OF ADJACENT SURFACE
TYPEFACE: CUSTOM LOGO AND TYPE OK
COLORS: CUSTOM COLORS OK - NO GOLD TRIM CAP
SECONDARY SIGNS: NO

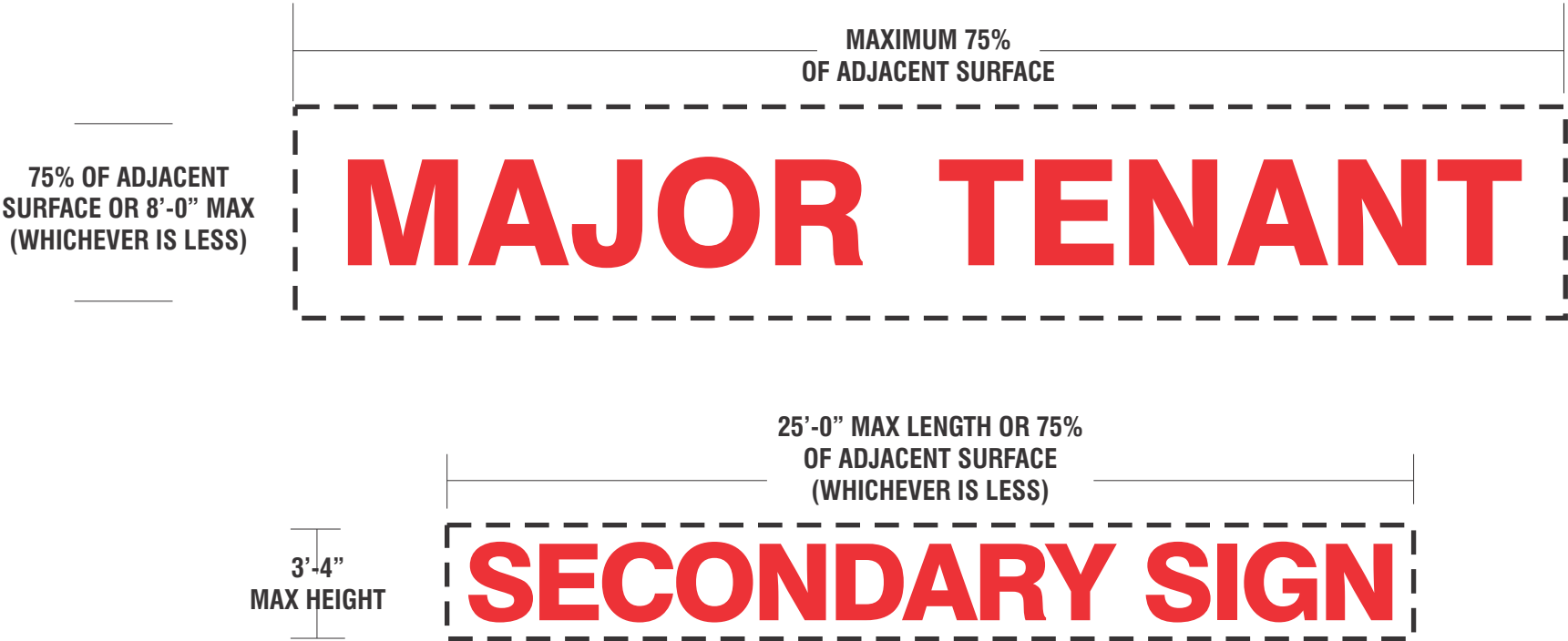
NOTE: ALL TENANT WALL SIGNS TO BE INSTALLED VISUALLY CENTERED WITHIN THEIR SIGN BAND AREA.



BANK TENANT - NORTH ELEVATION
SCALE: 1/8=1'



BANK TENANT - WEST ELEVATION
SCALE: 1/16=1'



SIZE: 2.5 SQUARE FOOT OF SIGN AREA PER LINEAR FOOT OF FRONTAGE OF LEASED PREMISES.
MATERIALS: VARIETY OF TYPES PER SIGN CRITERIA, SINGLE TYPE OF CONSTRUCTION ALLOWED.
ILLUMINATION: YES
COPY: TENANT NAME AND / OR LOGO
HEIGHT: SEVENTY FIVE PERCENT OF ADJACENT SURFACE
LENGTH: SEVENTY FIVE PERCENT OF ADJACENT SURFACE
TYPEFACE: CUSTOM LOGO AND TYPE OK
COLORS: CUSTOM COLORS OK
SECONDARY SIGNS: YES (NOT TO EXCEED 25% OF TOTAL ALLOWABLE SIGN AREA). ONLY MAJOR SERVICES/DEPARTMENTS ALLOWED. NO ADVERTISING OR SLOGANS.

NOTE: ALL TENANT WALL SIGNS TO BE INSTALLED VISUALLY CENTERED WITHIN THEIR SIGN BAND AREA.



MAJOR TENANT- WEST ELEVATION SCALE: 1/32"=1'-0"



MAJOR TENANT- WEST ELEVATION SCALE: 1/64"=1'-0"

WILLOW TREE CENTER

MAXIMUM 75%
OF ADJACENT SURFACE

75% OF ADJACENT SURFACE
MAXIMUM TWO
ROWS OF 2'-6" LETTERS

SHOP TENANT



SIZE: 1.5 SQUARE FOOT OF SIGN AREA PER LINEAR
FOOT OF FRONTAGE OF LEASED PREMISES.

CONSTRUCTION: SEE PAGE 7 FOR AVAILABLE TYPES

ILLUMINATION: YES

COPY: TENANT NAME AND / OR LOGO

HEIGHT: SEVENTY FIVE PERCENT OF ADJACENT SURFACE

LENGTH: SEVENTY FIVE PERCENT OF ADJACENT SURFACE

TYPEFACE: CUSTOM LOGO AND TYPE OK

COLORS: CUSTOM COLORS OK - NO GOLD TRIM CAP

SECONDARY SIGNS: NO

NOTE: ALL TENANT WALL SIGNS TO BE INSTALLED VISUALLY
CENTERED WITHIN THEIR SIGN BAND AREA.



SHOP TENANT- PARTIAL SOUTH EAST ELEVATION
SCALE: 1/16"=1'-0"



SHOP TENANT- PARTIAL SOUTH ELEVATION
SCALE: 1/16"=1'-0"



SHOP TENANT- PARTIAL SOUTH EAST ELEVATION
SCALE: 1/16"=1'-0"

75% OF ADJACENT SURFACE
MAXIMUM TWO
ROWS OF 3'-0" LETTERS

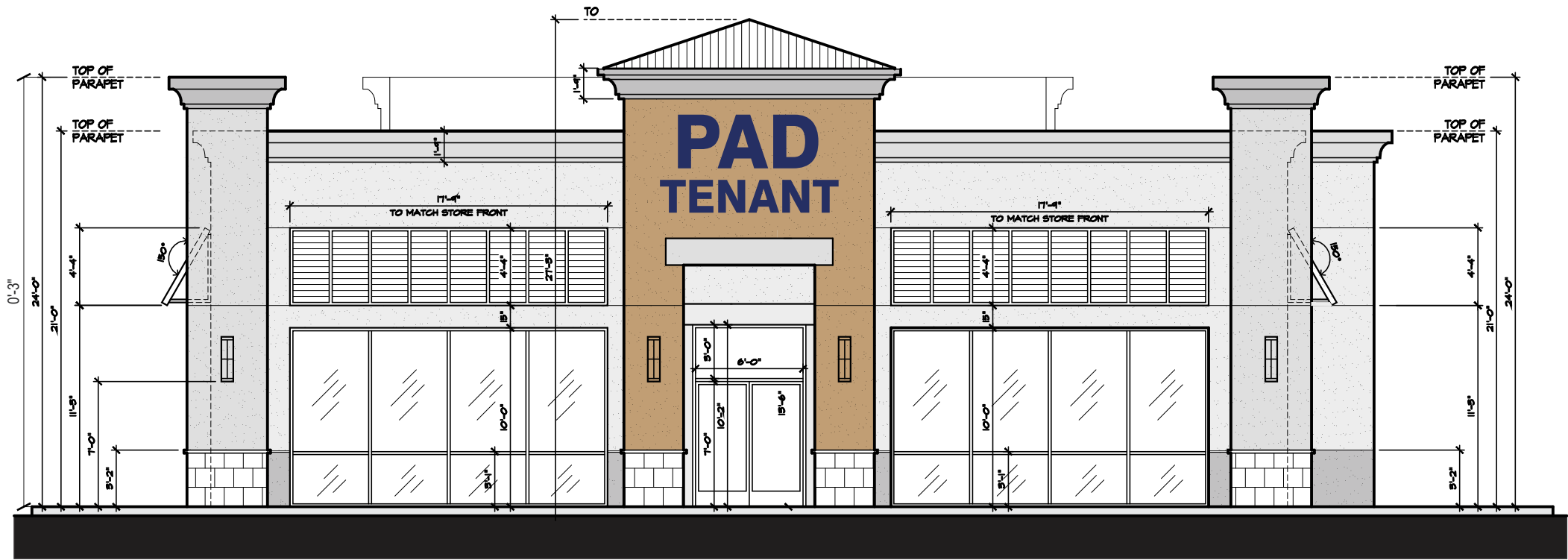
MAXIMUM 75%
OF ADJACENT SURFACE

PAD TENANT

SIZE: SQUARE FOOTAGE SHOWN PER ELEVATION.
CONSTRUCTION: SEE PAGE 7 FOR AVAILABLE TYPES
ILLUMINATION: YES
COPY: TENANT NAME AND / OR LOGO
HEIGHT: SEVENTY FIVE PERCENT OF ADJACENT SURFACE
LENGTH: SEVENTY FIVE PERCENT OF ADJACENT SURFACE
TYPEFACE: CUSTOM LOGO AND TYPE OK
COLORS: CUSTOM COLORS OK - NO GOLD TRIM CAP
SECONDARY SIGNS: NO

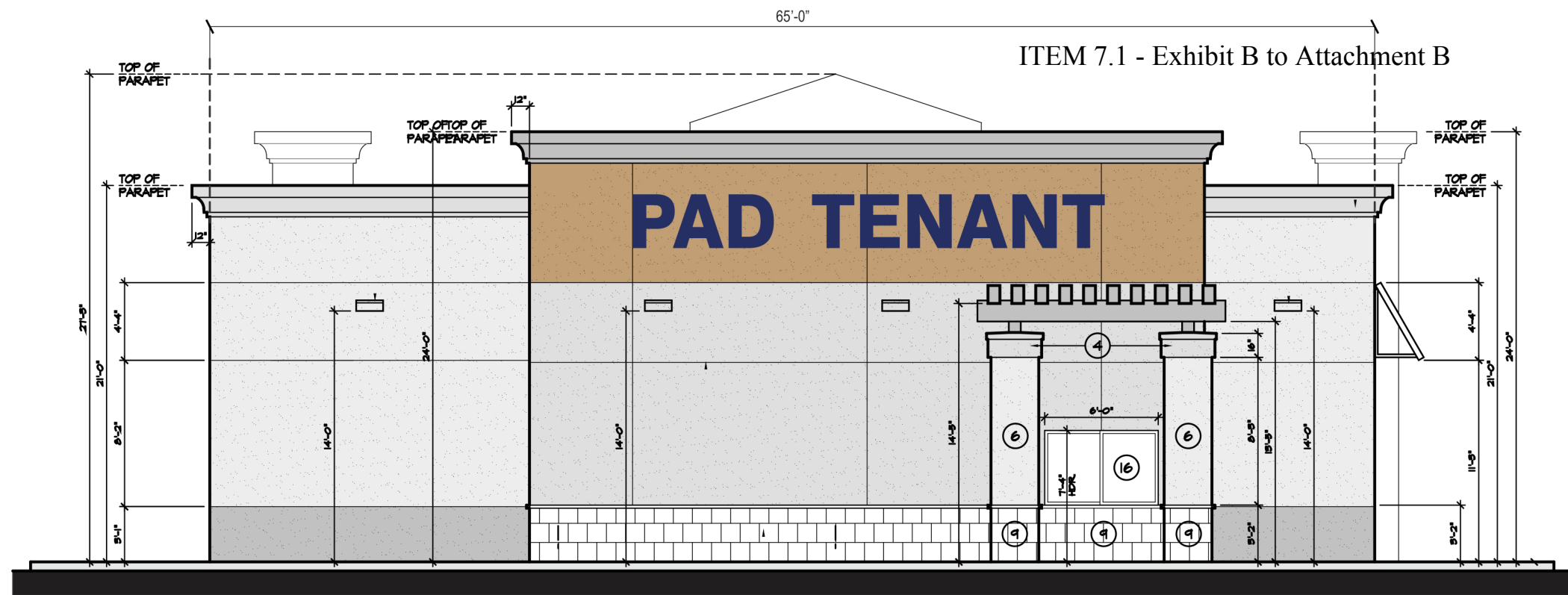
MAXIMUM SQ.FT. = 31.64 SQ.FT.

NOTE: ALL TENANT WALL SIGNS TO BE INSTALLED VISUALLY
CENTERED WITHIN THEIR SIGN BAND AREA.



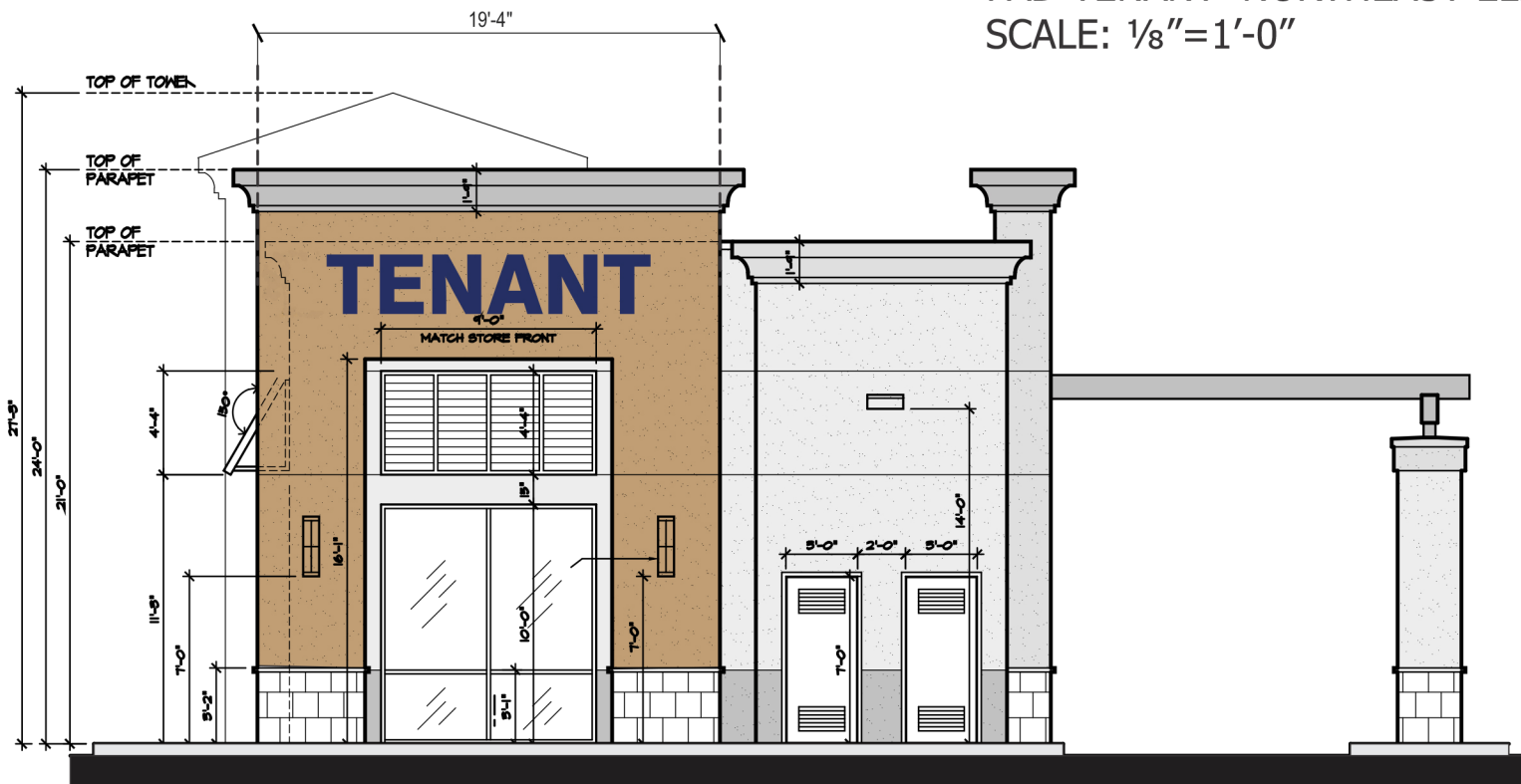
PAD TENANT- SOUTHWEST ELEVATION

SCALE: 1/8"=1'-0"



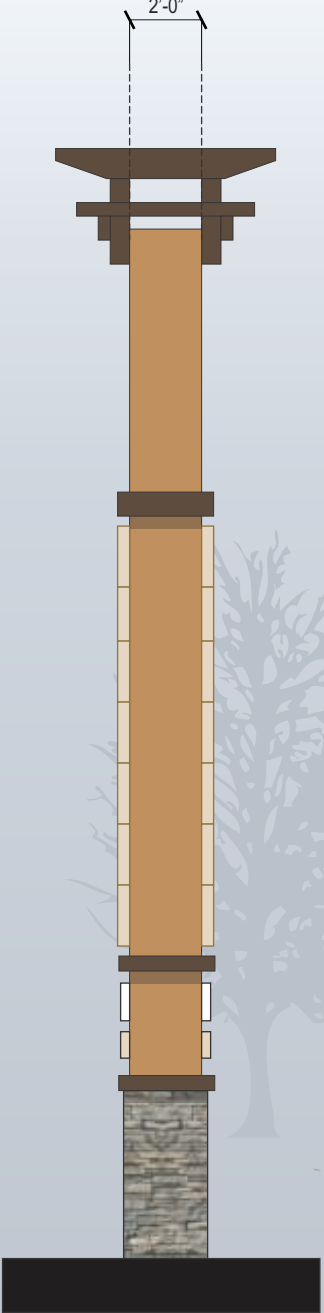
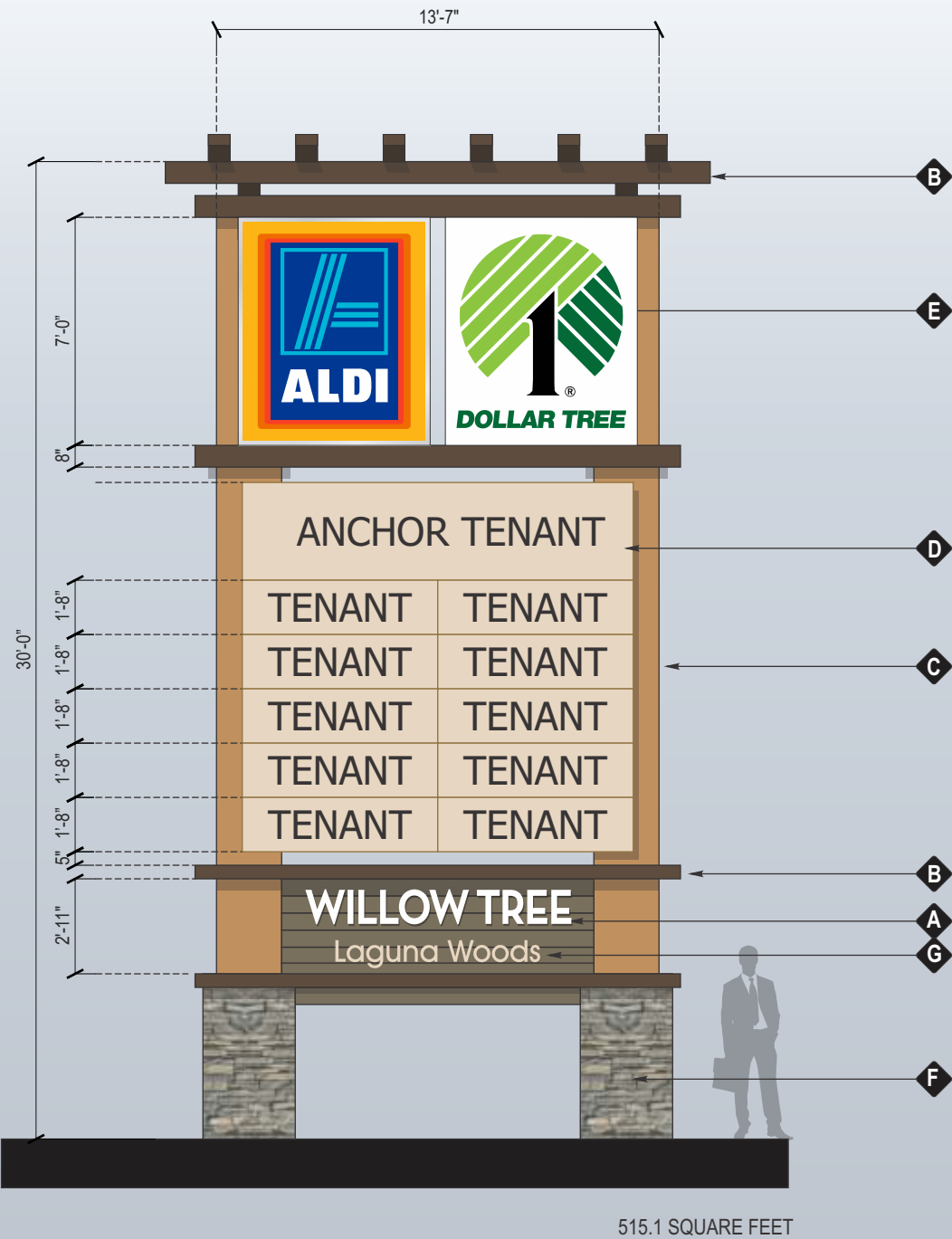
PAD TENANT- NORTHEAST ELEVATION
SCALE: 1/8"=1'-0"

MAXIMUM SQ.FT. = 63.47 SQ.FT.



PAD TENANT- NORTHWEST ELEVATION
SCALE: 1/8"=1'-0"

MAXIMUM SQ.FT. = 31.64 SQ.FT.

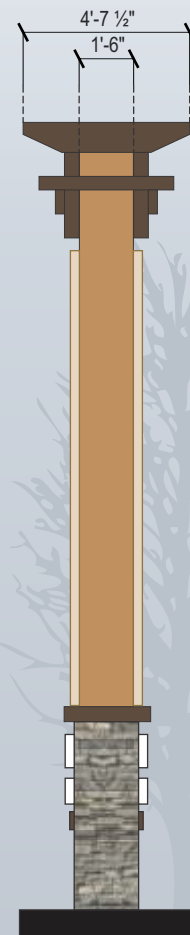
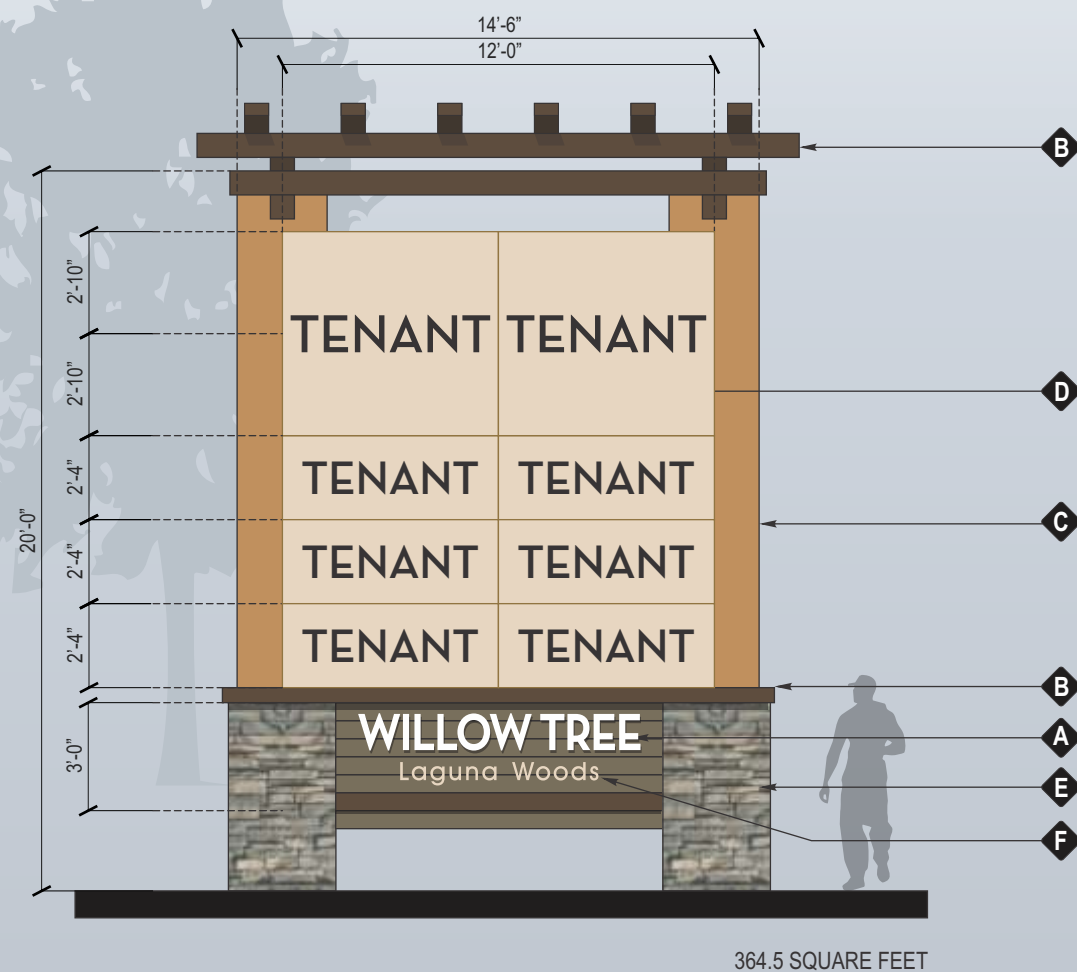


- A** "WILLOW TREE" - LETTERS TO BE PLEX FACED CHANNEL LETTERS. WHITE FACES AND RETURNS. (FONT: NEUTRA TEXT LIGHT SC ALT)
 - B** FABRICATED ALUMINUM TRELLIS AND LEDGES. SKIN PAINTED TO MATCH BUILDING COLOR WITH MAP SATIN FINISH.
 - C** FABRICATED ALUMINUM SIGN COLUMN w/ INTERNAL ALUMINUM FRAMEWORK BOLTED TO STEEL SUPPORT COLUMNS. SKIN TO BE PAINTED TO MATCH BUILDING COLOR WITH MAP SATIN FINISH.
 - D** FABRICATED ALUMINUM TENANT PANELS TO HAVE ROUTED OUT & BACKED UP GRAPHICS. #7328 WHITE ACRYLIC w/ FIRST SURFACE 3M TRANS VINYL WHERE REQUIRED. PANELS TO BE OPAQUE AND HAVE UNIFORM COLOR.
 - E** MAJOR TENANT CABINET TO BE INTERNALLY ILLUMINATED DOUBLE FACED CABINET. FLEX FACE WITH APPLIED VINYL.
 - F** EL DORADO STONE VENEER
 - G** "LAGUNA WOODS" USE DIGITALLY PRINTED VINYL TO MATCH FRAZEE "BISCOTTI". (FONT: AVANTGARDE MD BT)
- NOTE: ALL VACANT SPACES TO BE A NEW SOLID PANEL INSERT. NO OLD PANELS MAY BE USED. (FRAZEE "BISCOTTI")



NOTE:
SET BACK A MINIMUM OF 8'-0" FROM FACE OF PUBLIC STREET CURB AND 2'-0" FROM BACK OF SIDEWALK.

A INTERNALLY LIT D/F PYLON
SCALE: 3/16"=1'-0"

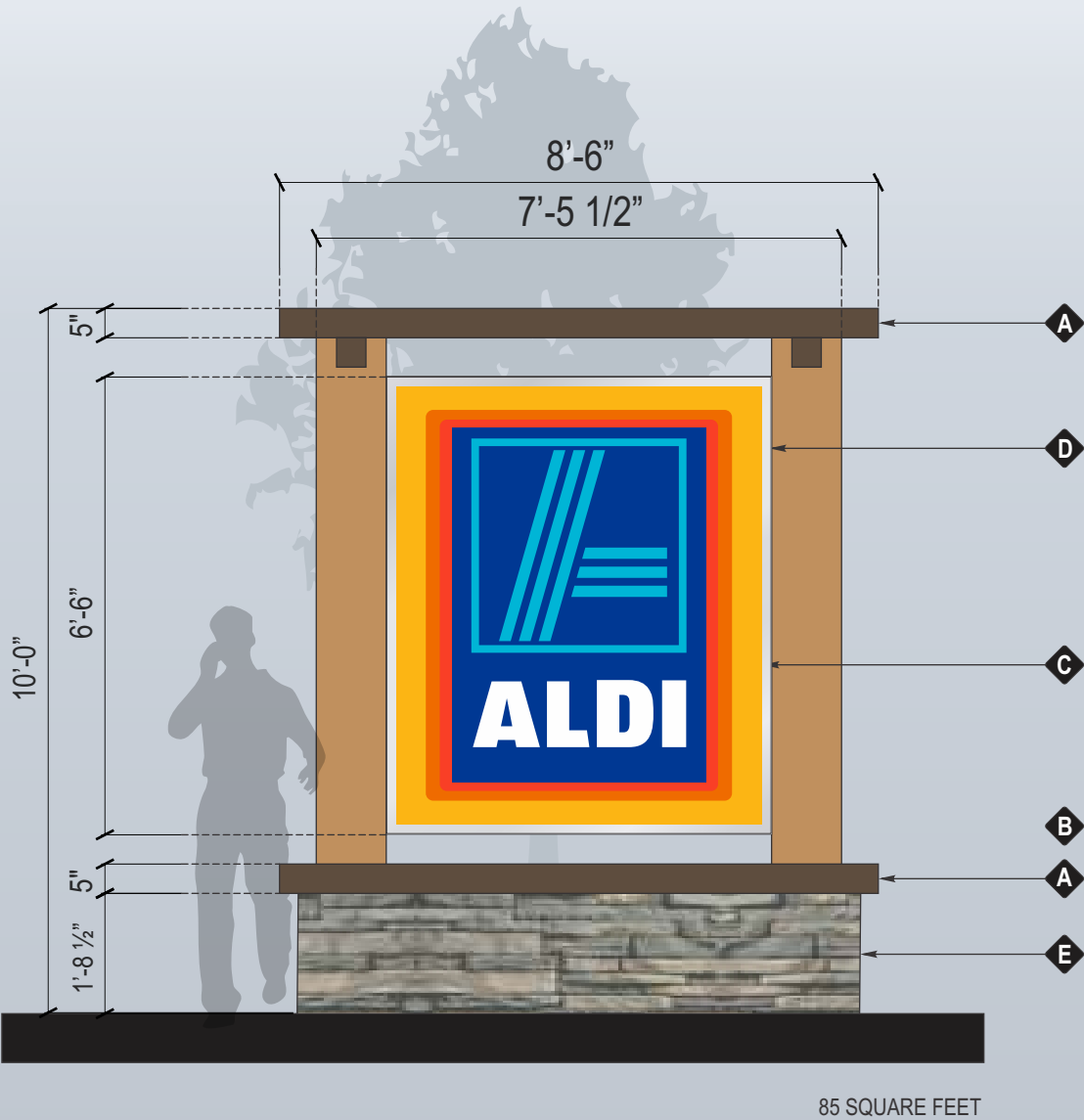


- A** "WILLOW TREE" - LETTERS TO BE PLEX FACED CHANNEL LETTERS. WHITE FACES AND RETURNS. (FONT: NEUTRA TEXT LIGHT SC ALT)
 - B** FABRICATED ALUMINUM TRELLIS AND LEDGES. SKIN PAINTED TO MATCH BUILDING COLOR WITH MAP SATIN FINISH.
 - C** FABRICATED ALUMINUM SIGN COLUMN w/ INTERNAL ALUMINUM FRAMEWORK BOLTED TO STEEL SUPPORT COLUMNS. SKIN TO BE PAINTED TO MATCH BUILDING COLOR WITH MAP SATIN FINISH.
 - D** FABRICATED ALUMINUM TENANT PANELS TO HAVE ROUTED OUT & BACKED UP GRAPHICS. #7328 WHITE ACRYLIC w/ FIRST SURFACE 3M TRANS VINYL WHERE REQUIRED.
 - E** EL DORADO STONE VENEER.
 - F** "LAGUNA WOODS" USE DIGITALLY PRINTED VINYL TO MATCH FRAZEE "BISCOTTI". (FONT: AVANTGARDE MD BT)
- NOTE: ALL VACANT SPACES TO BE A NEW SOLID PANEL INSERT. NO OLD PANELS MAY BE USED. (FRAZEE "BISCOTTI")



NOTE:
SET BACK A MINIMUM OF 8'-0" FROM FACE OF PUBLIC STREET CURB AND 2'-0" FROM BACK OF SIDEWALK.

B INTERNALLY LIT D/F PYLON
SCALE: 3/16"=1'-0"

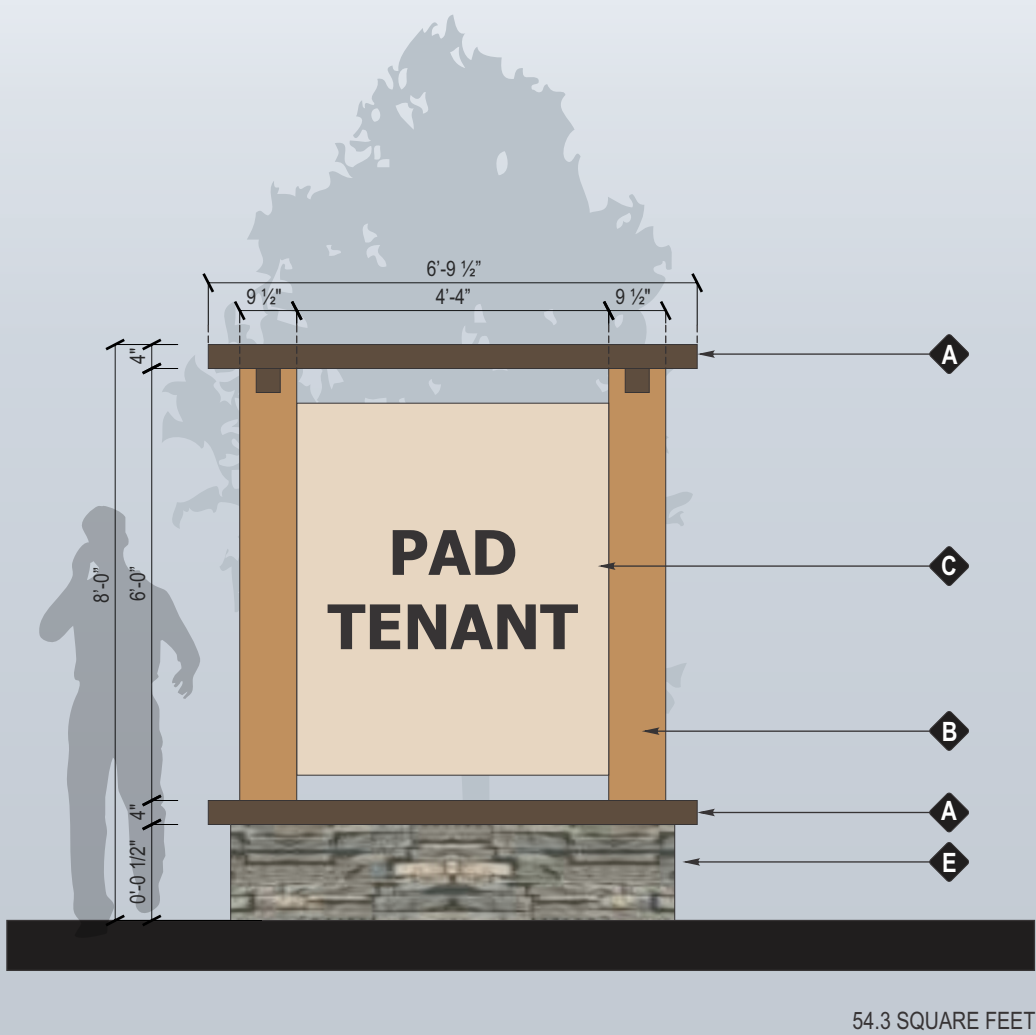


C INTERNALLY LIT D/F MONUMENT
SCALE: $\frac{3}{8}''=1'-0''$

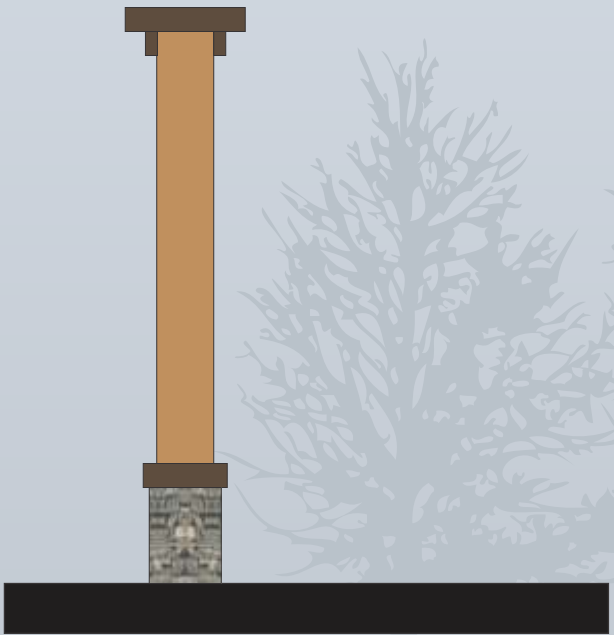
NOTE:
SET BACK A MINIMUM OF 8'-0" FROM FACE OF PUBLIC
STREET CURB AND 2'-0" FROM BACK OF SIDEWALK.

- A** FABRICATED ALUMINUM TRELLIS AND LEDGES.
SKIN PAINTED TO MATCH BUILDING COLOR WITH
MAP SATIN FINISH.
 - B** FABRICATED ALUMINUM SIGN COLUMN w/
INTERNAL ALUMINUM FRAMEWORK BOLTED
TO STEEL SUPPORT COLUMNS. SKIN TO BE
PAINTED TO PAINTED TO MATCH BUILDING COLOR
WITH MAP SATIN FINISH.
 - C** MAJOR TENANT LOGO CABINET TO BE INTERNALLY ILLUMINATED
DOUBLE FACED CABINET. FLEX FACE WITH APPLIED VINYL.
 - E** EL DORADO STONE VENEER
- NOTE: ALL VACANT SPACES TO BE A NEW SOLID PANEL INSERT.
NO OLD PANELS MAY BE USED. (FRAZEE "BISCOTTI")





54.3 SQUARE FEET

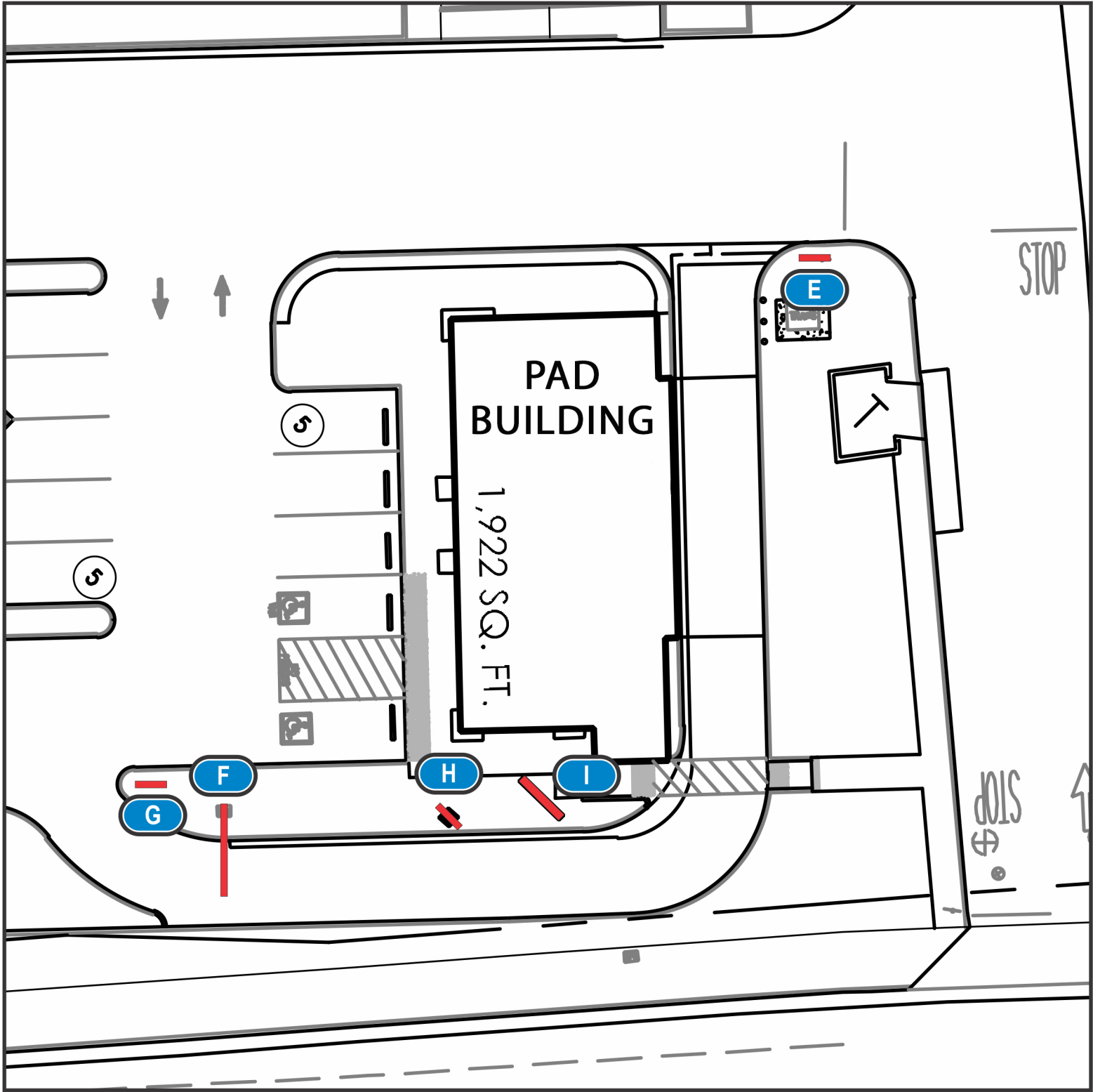


NOTE:
SET BACK A MINIMUM OF 8'-0" FROM FACE OF PUBLIC STREET CURB AND 2'-0" FROM BACK OF SIDEWALK.

- A** FABRICATED ALUMINUM TRELLIS AND LEDGES. SKIN PAINTED TO MATCH BUILDING COLOR WITH MAP SATIN FINISH.
 - B** FABRICATED ALUMINUM SIGN COLUMN w/ INTERNAL ALUMINUM FRAMEWORK BOLTED TO STEEL SUPPORT COLUMNS. SKIN TO BE PAINTED TO MATCH BUILDING COLOR WITH MAP SATIN FINISH.
 - C** MAJOR TENANT LOGO CABINET TO BE INTERNALLY ILLUMINATED DOUBLE FACED CABINET. FLEX FACE WITH APPLIED VINYL.
 - E** EL DORADO STONE VENEER
- NOTE: ALL VACANT SPACES TO BE A NEW SOLID PANEL INSERT. NO OLD PANELS MAY BE USED. (FRAZEE "BISCOTTI")



D INTERNALLY LIT D/F MONUMENT
SCALE: 3/8"=1'-0"



**D/F DRIVE-THRU "DO NOT ENTER" DIRECTIONAL**

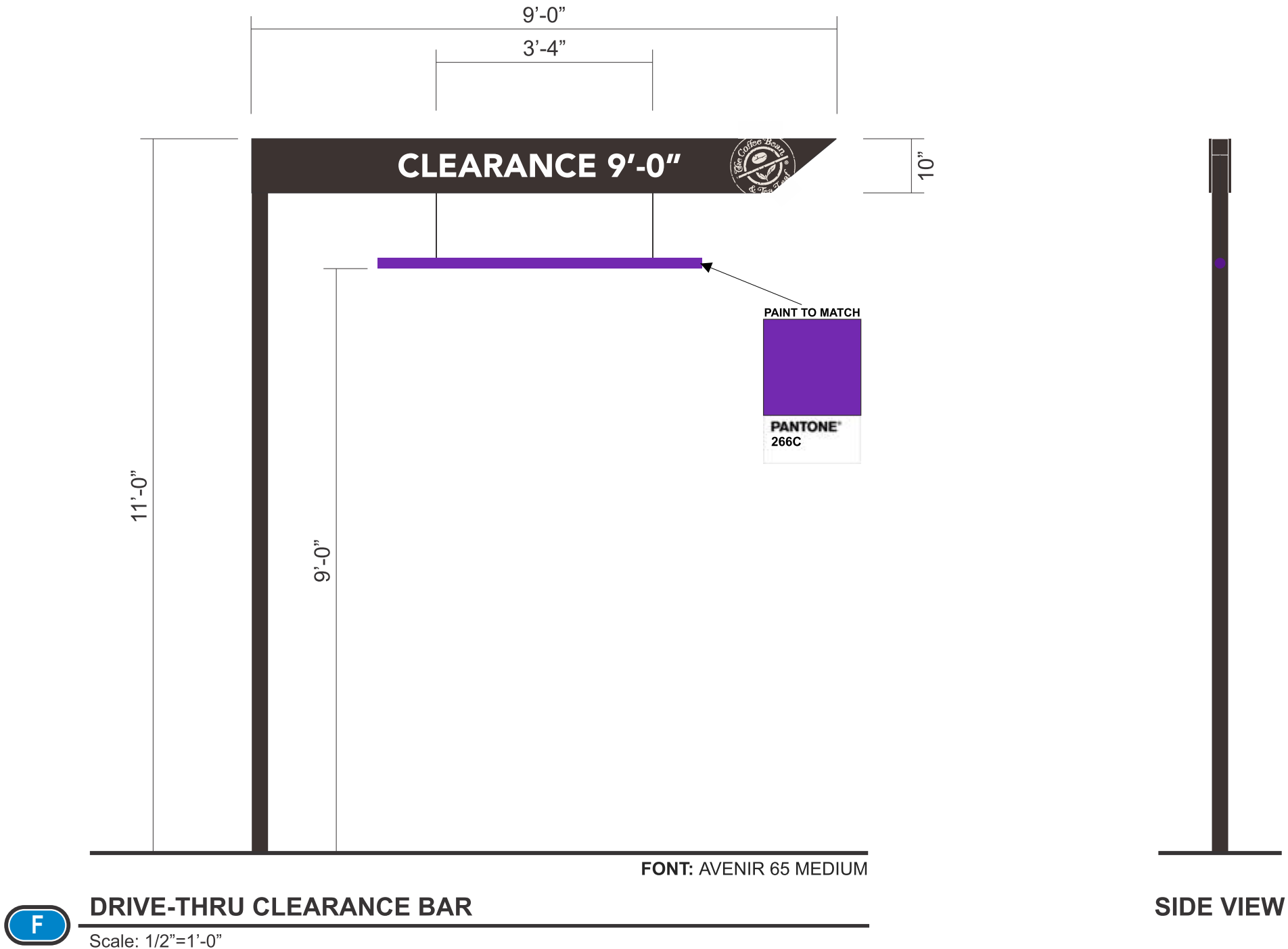
Scale: 1"=1'-0"

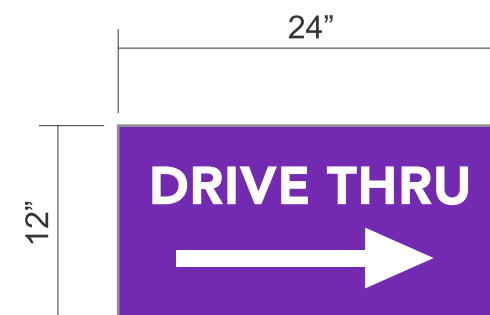
FONT: AVENIR 65 MEDIUM

Cabinet:	Extruded Aluminum Duranodic Bronze
Trimcap:	3/4" Duranodic Bronze
Faces:	White Plex with Vinyl to match Oracal #403 Light Violet Paint: Purple PMS 266C
Illumination:	White LED's
Power Source:	LED Power Pack

Sign shall bear UL Label

***** ALL DT REQUIRING POWER MUST HAVE SERVICE SWITCH**



**S/F DRIVE-THRU "ENTRANCE" DIRECTIONAL**

Scale: 1"=1'-0"

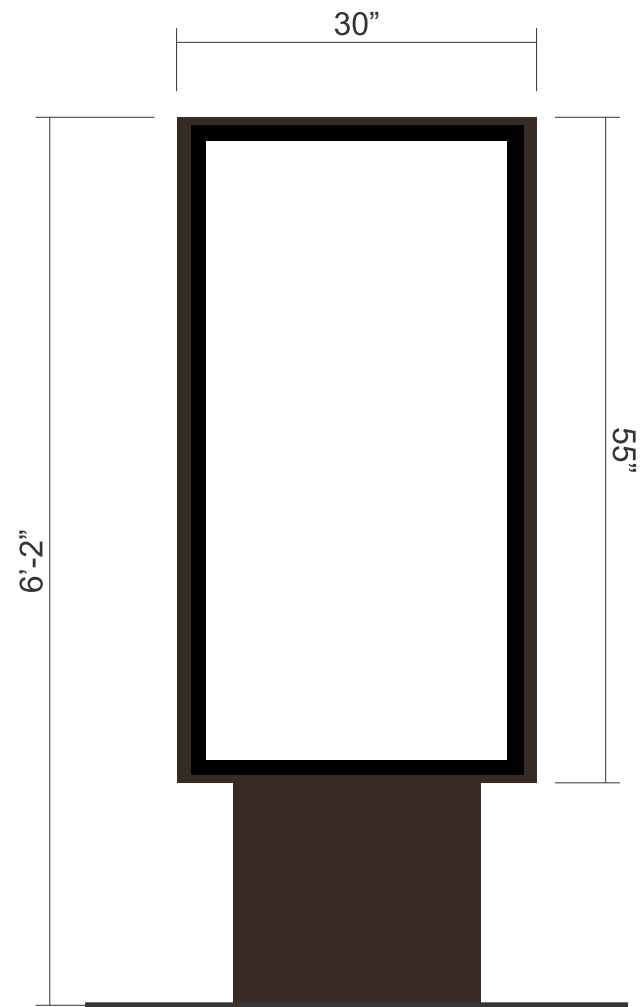
FONT: AVENIR 65 MEDIUM

Cabinet:	Extruded Aluminum Duranodic Bronze
Trimcap:	3/4" Duranodic Bronze
Faces:	White Plex with Vinyl to match Oracal #403 Light Violet Paint: Purple PMS 266C
Illumination:	White LED's
Power Source:	LED Power Pack

Sign shall bear UL Label

***** ALL DT REQUIRING POWER MUST HAVE SERVICE SWITCH**

*** ALL DT REQUIRING POWER MUST HAVE SERVICE SWITCH

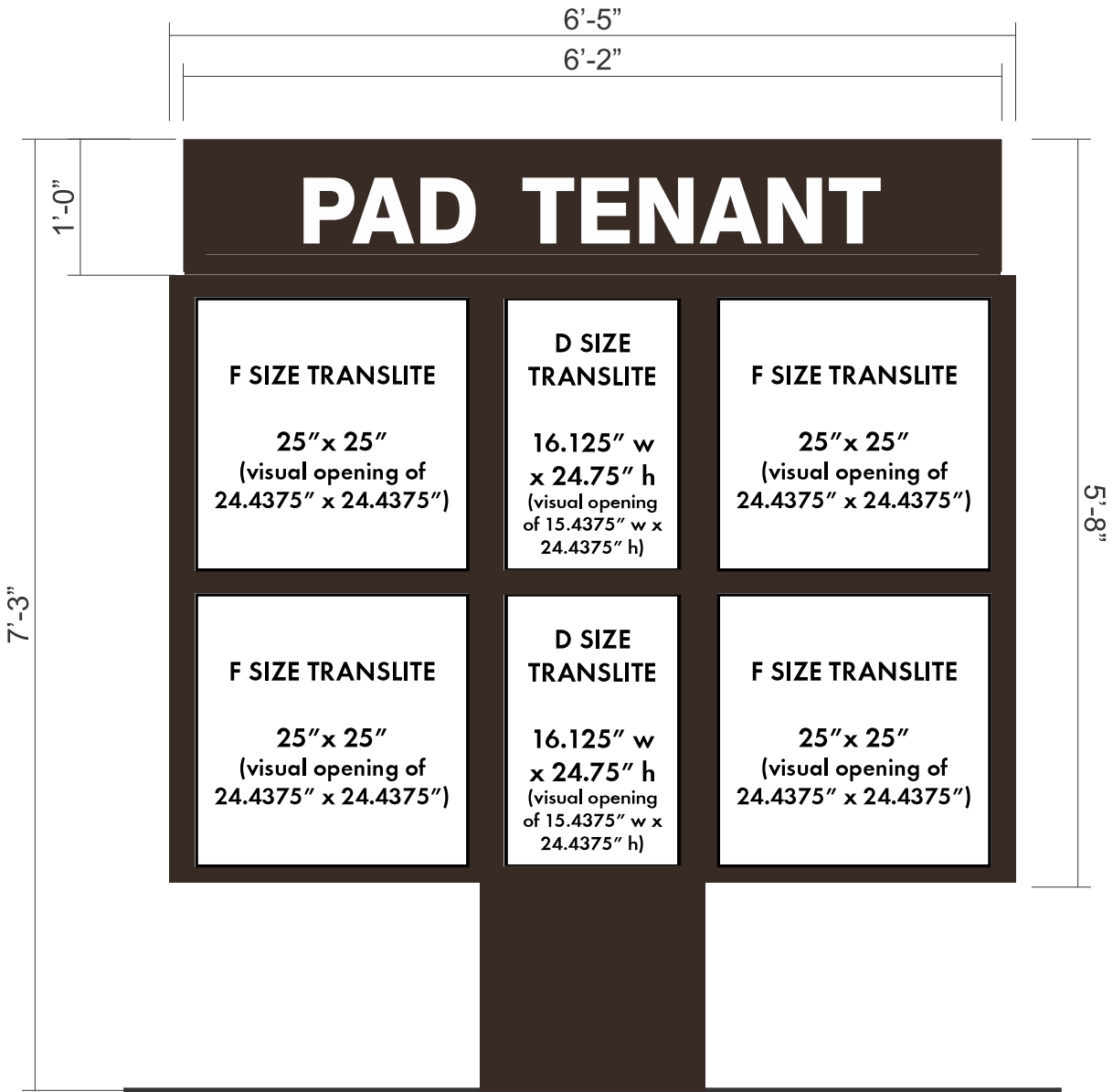


PREVIEW BOARD 11.45 Sq Ft.

Scale: 3/4"=1'-0"

Extruded Aluminum Duranodic Bronze
White LED's
LED Power Pack

Sign shall bear UL Label



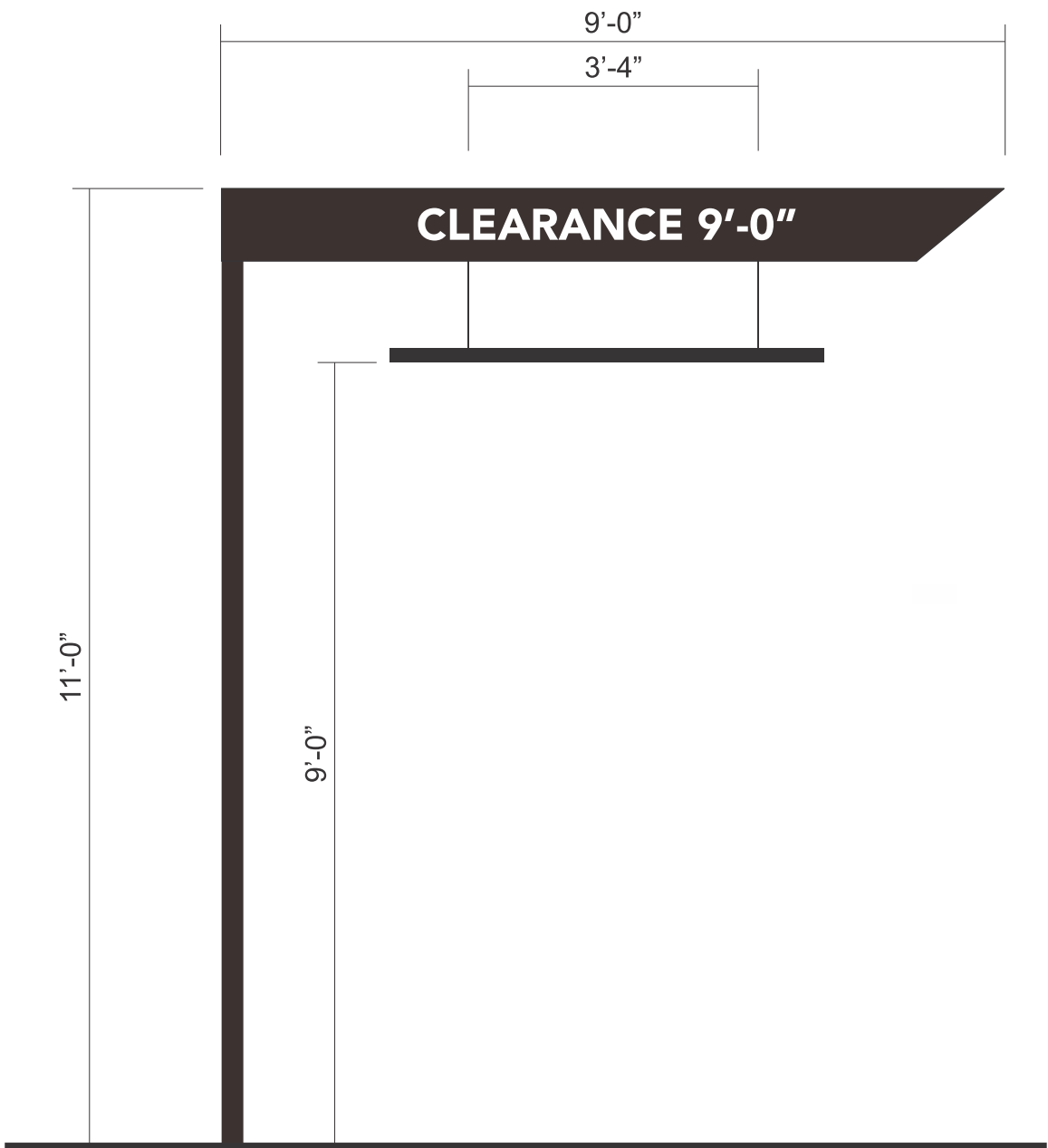
MENU BOARD 34.87 Sq Ft.

Scale: 3/4"=1'-0"

Extruded Aluminum Duranodic Bronze
White LED's
LED Power Pack

Sign shall bear UL Label

FUTURE TENANT CLEARANCE BAR AND DIRECTIONAL SIGNAGE

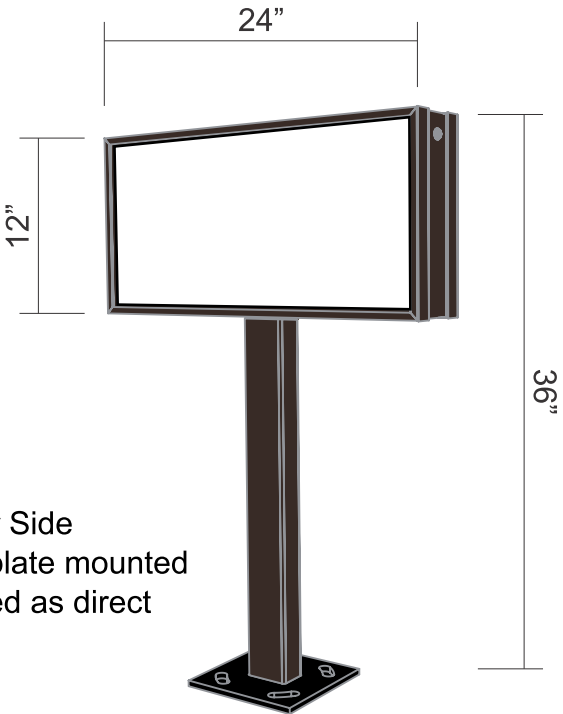


F

DRIVE-THRU CLEARANCE BAR

Scale: 1/2"=1'-0"

COLOR LEGEND	
	WHITE ACRYLIC
	OPAQUE VINYL: TO MATCH BROWN PMS 4625 C PAINT: BROWN PMS 4625 C
	OPAQUE VINYL: TO MATCH PURPLE PMS 266 C PAINT: PURPLE PMS 266 C



2 SF Per Side
Can be plate mounted
or ordered as direct
burial

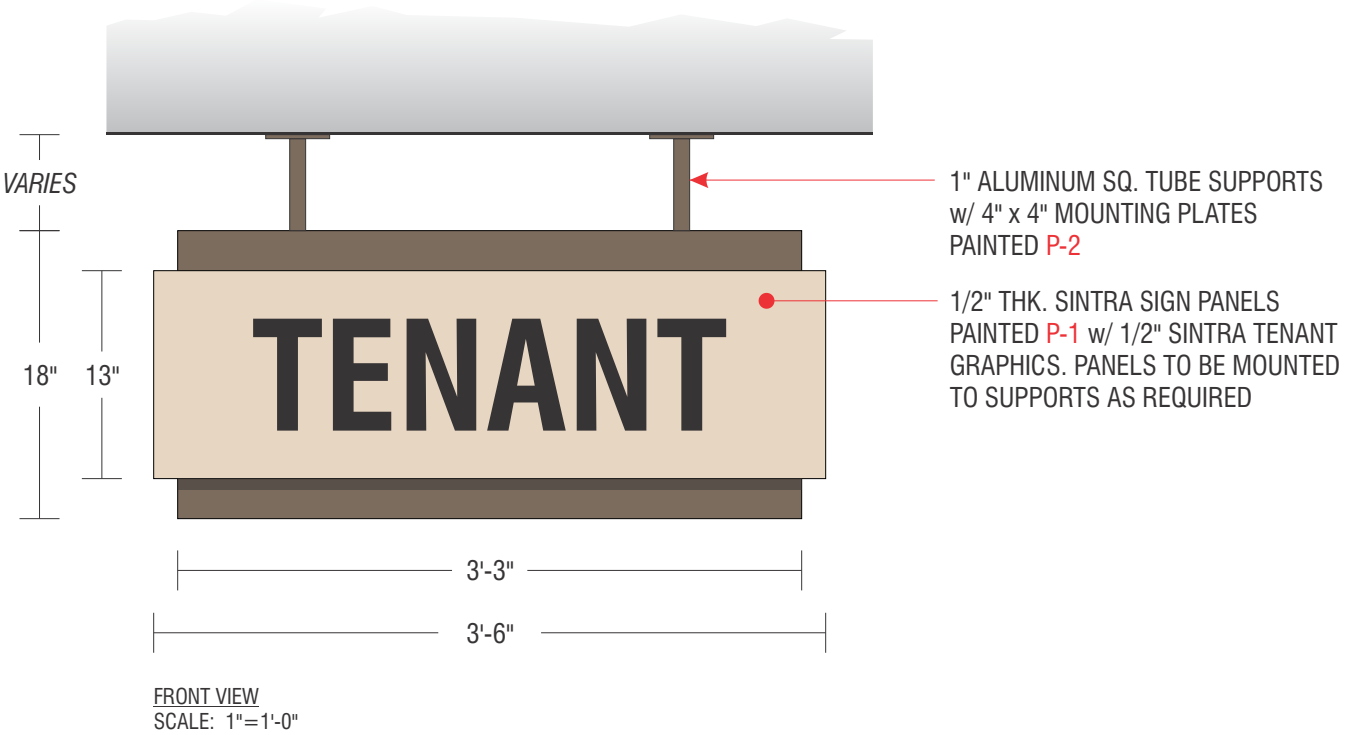
G

S/F DRIVE-THRU "ENTRANCE" DIRECTIONAL

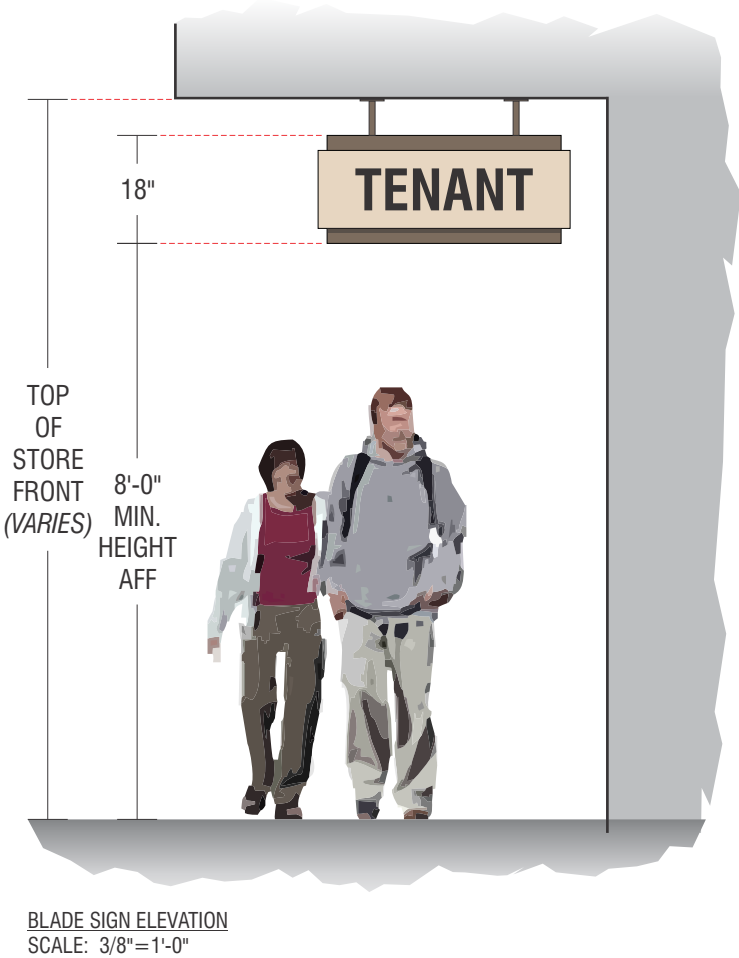
Scale: 1"=1'-0"

FONT: AVENIR 65 MEDIUM

J D/F NON-ILLUMINATED UNDER CANOPY BLADE SIGN DISPLAYS



- NOTES:**
- ONE (1) BLADE SIGN PER TENANT
 - BLADE SIGNS NOT PERMITTED FOR PAD TENANT
 - ALL VACANT SPACES TO BE A NEW SOLID PANEL INSERT. NO OLD PANELS MAY BE USED (FRAZEE "BISCOTTI")



SPECIFICATIONS

1. SEE SPECIFICATION CALL-OUTS THIS SHEET

COLORS/FINISHES		
P-1	FRAZEE CL2741W "BISCOTTI"	
P-2	FRAZEE CL875A "MOSQUITO"	

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7.2
STATE VIDEO FRANCHISE AND PUBLIC,
EDUCATIONAL, AND GOVERNMENTAL
(“PEG”) FEES

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City of Laguna Woods Agenda Report

TO: Honorable Mayor and City Councilmembers

FROM: Christopher Macon, City Manager

FOR: April 19, 2017 Regular Meeting

SUBJECT: State Video Franchise and Public, Educational, and Governmental ("PEG") Fees

Recommendation

1. Receive staff report.

AND

2. Open public hearing.

AND

3. Receive public testimony.

AND

4. Close public hearing.

AND

5. Adopt an ordinance – read by title with further reading waived – entitled:

AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, RETROACTIVELY READOPTING SECTION 6.42.020 OF CHAPTER 6.42 OF TITLE 6 OF THE LAGUNA WOODS MUNICIPAL CODE ENTITLED "STATE

VIDEO FRANCHISE AND PEG FEES” RELATING TO STATE FRANCHISES FOR CABLE COMMUNICATIONS; AND REAUTHORIZING A FEE TO SUPPORT PUBLIC, EDUCATIONAL, AND GOVERNMENTAL (“PEG”) CHANNEL FACILITIES WITHIN THE CITY’S JURISDICTION

AND

6. Approve the introduction and first reading of an ordinance – read by title with further reading waived – entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, RETROACTIVELY READOPTING SECTION 6.42.020 OF CHAPTER 6.42 OF TITLE 6 OF THE LAGUNA WOODS MUNICIPAL CODE ENTITLED “STATE VIDEO FRANCHISE AND PEG FEES” RELATING TO STATE FRANCHISES FOR CABLE COMMUNICATIONS; AND REAUTHORIZING A FEE TO SUPPORT PUBLIC, EDUCATIONAL, AND GOVERNMENTAL (“PEG”) CHANNEL FACILITIES WITHIN THE CITY’S JURISDICTION

Background

Section 6.42.020 of the Laguna Woods Municipal Code contains regulations related to the imposition of a Public, Educational, and Governmental (“PEG”) fee on state franchised video service providers operating within the City. Those regulations were adopted in 2007 and have remained unchanged since then. The PEG fee is charged in the amount of 1% of gross revenue and is used by the City to support any PEG-related purpose consistent with state and federal law (e.g., the operation and maintenance of the City’s television channel; “Channel 31”).

In 2006, the California Legislature adopted the Digital Infrastructure and Video Competition Act (“DIVCA”), which changed the manner in which video service providers are regulated by placing local franchising with a state franchising system administered by the California Public Utilities Commission. DIVCA authorizes cities to adopt an ordinance imposing a fee on state franchise holders to support PEG-related purposes, provided, however, that ordinances adopting PEG fees “shall expire, and may be reauthorized, upon the expiration of the state franchise” (Cal. Pub. Utilities Code § 5870(n)).

Pacific Bell Telephone Company d/b/a SBC Pacific Bell Telephone Company d/b/a AT&T California (“AT&T”) and Cox Communications California, LLC d/b/a Cox Communications (“Cox”) hold state video franchises to operate in Laguna Woods. Those franchises expire on March 30, 2017 and April 27, 2017, respectively.

Discussion

Today’s meeting is an opportunity for City Council action, as well as public input, on the proposed reauthorization of PEG fees charged to state video franchisees (attachments A and B). Staff recommends that the City Council adopt both an urgency ordinance and a regular ordinance in order to retroactively reauthorize the PEG fee effective March 30, 2017, and therefore preserve funding available to support PEG-related purposes.

An urgency ordinance is necessary for the immediate preservation of the public peace, health, and safety because the City depends upon the PEG fee to support PEG access channel facilities, which are essential to providing city residents with important civic programming, including emergency alerts and community and government news. If the urgency ordinance did not become effective immediately, but instead became effective 30 days after its second reading, funding for City PEG facilities could be affected causing residents who rely on PEG channels for emergency broadcasts and news updates to lose a vital source of City information. Any lapse in funding may also lead to confusion among state video franchisees operating within Laguna Woods regarding the payment of PEG fees, leading the City to incur additional costs to recover any overdue fees. The urgency ordinance would also bridge the gap between the expiration of the state video franchises and the adoption of the regular permanent ordinance, which would occur 30 days following the second reading and adoption of the regular ordinance.

In addition to the proposed urgency ordinance, staff recommends that the City Council introduce and approve the first reading of a regular ordinance that pertains to the exact same issue. Upon its effective date, the regular ordinance would repeal and replace the urgency ordinance in its entirety.

If the City Council takes the recommended action at today’s meeting, the proposed urgency ordinance would become effective immediately, while the regular ordinance would be agendaized for a second reading and consideration of adoption at an upcoming meeting. The regular ordinance would take effect 30 days after adoption. In order to maintain its effectiveness until the regular ordinance takes

effect, the urgency ordinance would require a public hearing and extension within 45-days of the date of adoption.

Environmental Review

The adoption of regulations is not a project under the requirements of the California Environmental Quality Act (CEQA), pursuant to Section 15061(b)(3) of the CEQA Guidelines.

Fiscal Impact

Funds to support this project are included in the City's budget.

In Fiscal Year 2015-16, the City received approximately \$3,000 in PEG fees from state video franchisees. If the City Council does not reauthorize the PEG fee, the City would no longer receive PEG fees from state video franchisees following the expiration of existing state video franchises.

Attachments: A – Proposed Urgency Ordinance
B – Proposed Ordinance

ORDINANCE NO. 17-XX

AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, RETROACTIVELY READOPTING SECTION 6.42.020 OF CHAPTER 6.42 OF TITLE 6 OF THE LAGUNA WOODS MUNICIPAL CODE ENTITLED “STATE VIDEO FRANCHISE AND PEG FEES” RELATING TO STATE FRANCHISES FOR CABLE COMMUNICATIONS; AND REAUTHORIZING A FEE TO SUPPORT PUBLIC, EDUCATIONAL, AND GOVERNMENTAL (“PEG”) CHANNEL FACILITIES WITHIN THE CITY’S JURISDICTION

WHEREAS, the City Council adopted Ordinance No. 07-03 on June 27, 2007, wherein a new Chapter 6.42 was added to Title 6 of the Laguna Woods Municipal Code called “Regulation of State Video Franchise Holders” that imposed certain fees on cable providers within the City’s jurisdiction; and

WHEREAS, Public Utilities Code section 5870(n) provides that the Public, Educational, and Governmental (“PEG”) PEG fee may be reauthorized upon the expiration of an applicable state franchise; and

WHEREAS, the first state franchise to include the City, California Video Franchise Certificate Franchise No. 0002 granted to Pacific Bell Telephone Company d/b/a SBC Pacific Bell Telephone Company d/b/a AT&T California (“AT&T”), expires on March 30, 2017; and

WHEREAS, the second state franchise to include the City, California Video Franchise Certificate Franchise No. 0003 granted to Cox Communications California, LLC d/b/a Cox Communications (“Cox”), expires on April 27, 2017; and

WHEREAS, on April, 2017, the City Council held a duly noticed public hearing on the proposed Ordinance at which it considered all of the information, evidence, and testimony presented, both written and oral.

WHEREAS, the City Council intends to readopt Section 6.42.020 of the Laguna Woods Municipal Code to reauthorize the collection of PEG fees.

THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The City Council finds as follows:

a. Currently, the City depends upon the PEG access fee to support PEG access channel facilities, which are essential to providing city residents with important civic programming, including emergency alerts and community and government news. Pursuant to Public Utilities Code Section 5870(n), the City's PEG access fee codified in Section 6.42.020 of the Laguna Woods Municipal Code expires upon the expiration of a state franchise. The first state franchise to include the City, California Video Franchise Certificate Franchise No. 0002 granted to AT&T, expired on March 30, 2017. The second state franchise to include the City, California Video Franchise Certificate Franchise No. 0003 granted to Cox, expires on April 27, 2017. If the City's PEG fee is not reauthorized immediately, the City's funding for its PEG programming facilities may be interrupted. Any loss of funding would jeopardize a trustworthy, reliable, and immediate means by which the City communicates with its residents. Lapses in funding may also lead to confusion among state video franchisees operating within the City regarding the payment of PEG fees leading the City to incur additional costs to recover any overdue fees.

b. Therefore, the City Council finds and determines that the immediate preservation of the public peace, health, and safety requires that this ordinance be enacted as an urgency ordinance pursuant to Government Code Section 36937(b) and take effect immediately upon adoption. If this Ordinance did not become effective immediately, but instead became effective 30 days after its second reading, funding for City PEG facilities could be affected causing residents who rely on PEG channels for emergency broadcasts and news updates to lose a vital source of City information. Therefore, this Ordinance is necessary for the immediate preservation of the public peace, health, and safety and its urgency is hereby declared.

SECTION 2. Section 6.42.020 of Chapter 6.42 of Title 6 of the Laguna Woods Municipal Code entitled "State Video Franchise and PEG Fees" is hereby readopted in its entirety to read as follows:

Sec. 6.42.020. - State video franchise and PEG fees.

- (a) For any state video franchise holder operating within the boundaries of the City, there shall be a fee paid to the City equal to five (5%) percent of the gross revenue of that State video franchise holder.
- (b) For any state video franchise holder operating within the boundaries of the City, there shall be an additional fee paid to the City equal to one (1%)

percent of the gross revenue of that state video franchise holder, which fee shall be used by the City for any Public, Educational, and/or Governmental (PEG) purposes consistent with State and Federal law.

- (c) Gross revenue, for the purposes of subsections (a) and (b) above, shall have the definition set forth in California Public Utilities Code § 5860.
- (d) The City Council, may, by resolution, opt to temporarily waive the collection, but not the imposition, of the franchise fee and/or the PEG fee.

SECTION 3. In readopting this Section 6.42.020 of Chapter 6.42 of Title 6 of the Laguna Woods Municipal Code, the City intends, to the extent required by California Public Utilities Code section 5870(n), to reauthorize the Public, Educational, and Governmental (“PEG”) channel facilities fee adopted by the City on June 2, 2009, effective March 30, 2017. In adopting this Ordinance, the City does not in any manner affect or alter the continuing obligation of State franchisees to collect and pay the preexisting PEG fee.

SECTION 4. This Ordinance is declared to be an Urgency Ordinance by authority conferred on the City Council of the City of Laguna Woods by Government Code sections 36934, 36937, and 65858, and shall be in full force and effect immediately upon its adoption by a four-fifths vote of the City Council.

SECTION 5. This Urgency Ordinance shall be of no further force and effect forty-five (45) days from and after the date of its adoption unless the same is extended pursuant to the authority conferred upon the City Council by Government Code Section 65858.

SECTION 6. If any section, subsection, subdivision, paragraph, sentence, clause, or phrase added by this Ordinance, or any part thereof, is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity of effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof irrespective of the fact that any one or more subsections, subdivisions, paragraphs sentences, clauses, or phrases are declared unconstitutional, invalid, or ineffective.

SECTION 7. The Deputy City Clerk shall certify to the passage of this Ordinance and shall cause this Ordinance to be published or posted as required by law.

SECTION 8. All of the above-referenced documents and information have been and are on file with the City Clerk of the City.

PASSED, APPROVED AND ADOPTED this XX day of XX 2017.

SHARI L. HORNE, Mayor

ATTEST:

YOLIE TRIPPY, Deputy City Clerk

APPROVED AS TO FORM:

DAVID B. COSGROVE, City Attorney

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF LAGUNA WOODS)

I, YOLIE TRIPPY, Deputy City Clerk of the City of Laguna Woods, do HEREBY CERTIFY that the foregoing **Ordinance No. 17-XX** was duly adopted and passed at a regular meeting of the City Council on the XX day of XX 2017 by the following vote to wit:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

YOLIE TRIPPY, Deputy City Clerk

ORDINANCE NO. 17-XX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, RETROACTIVELY READOPTING SECTION 6.42.020 OF CHAPTER 6.42 OF TITLE 6 OF THE LAGUNA WOODS MUNICIPAL CODE ENTITLED “STATE VIDEO FRANCHISE AND PEG FEES” RELATING TO STATE FRANCHISES FOR CABLE COMMUNICATIONS; AND REAUTHORIZING A FEE TO SUPPORT PUBLIC, EDUCATIONAL, AND GOVERNMENTAL (“PEG”) CHANNEL FACILITIES WITHIN THE CITY’S JURISDICTION

WHEREAS, the City Council adopted Ordinance No. 07-03 on June 27, 2007, wherein a new Chapter 6.42 was added to Title 6 of the Laguna Woods Municipal Code called “Regulation of State Video Franchise Holders” that imposed certain fees on cable providers within the City’s jurisdiction; and

WHEREAS, Public Utilities Code section 5870(n) provides that the Public, Educational, and Governmental (“PEG”) PEG fee may be reauthorized upon the expiration of an applicable state franchise; and

WHEREAS, the first state franchise to include the City, California Video Franchise Certificate Franchise No. 0002 granted to Pacific Bell Telephone Company d/b/a SBC Pacific Bell Telephone Company d/b/a AT&T California (“AT&T”), expires on March 30, 2017; and

WHEREAS, the second state franchise to include the City, California Video Franchise Certificate Franchise No. 0003 granted to Cox Communications California, LLC d/b/a Cox Communications (“Cox”), expires on April 27, 2017; and

WHEREAS, on April, 2017, the City Council held a duly noticed public hearing on the proposed Ordinance at which it considered all of the information, evidence, and testimony presented, both written and oral.

WHEREAS, the City Council intends to readopt Section 6.42.020 of the Laguna Woods Municipal Code to reauthorize the collection of PEG fees.

THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Section 6.42.020 of Chapter 6.42 of Title 6 of the Laguna Woods Municipal Code entitled “State Video Franchise and PEG Fees” is hereby readopted in its entirety to read as follows:

Sec. 6.42.020. - State video franchise and PEG fees.

- (a) For any state video franchise holder operating within the boundaries of the City, there shall be a fee paid to the City equal to five (5%) percent of the gross revenue of that State video franchise holder.
- (b) For any state video franchise holder operating within the boundaries of the City, there shall be an additional fee paid to the City equal to one (1%) percent of the gross revenue of that state video franchise holder, which fee shall be used by the City for any Public, Educational, and/or Governmental (PEG) purposes consistent with State and Federal law.
- (c) Gross revenue, for the purposes of subsections (a) and (b) above, shall have the definition set forth in California Public Utilities Code § 5860.
- (d) The City Council, may, by resolution, opt to temporarily waive the collection, but not the imposition, of the franchise fee and/or the PEG fee.

SECTION 2. In readopting this Section 6.42.020 of Chapter 6.42 of Title 6 of the Laguna Woods Municipal Code, the City intends, to the extent required by California Public Utilities Code section 5870(n), to reauthorize the Public, Educational, and Governmental (“PEG”) channel facilities fee adopted by the City on June 2, 2009, effective March 30, 2017. In adopting this Ordinance, the City does not in any manner affect or alter the continuing obligation of State franchisees to collect and pay the preexisting PEG fee.

SECTION 3. This Ordinance shall take effect and be in full force and operation thirty (30) days after adoption. Upon the effective date of this Ordinance, Urgency Ordinance No. 17-XX shall be repealed and replaced in its entirety. Furthermore, the City Council declares its intent that the reauthorization of the PEG access fees shall be retroactive to March 30, 2017, to the end that there be no interruption of PEG fee revenues to the City.

SECTION 4. If any section, subsection, subdivision, paragraph, sentence, clause, or phrase added by this Ordinance, or any part thereof, is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such

decision shall not affect the validity of effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof irrespective of the fact that any one or more subsections, subdivisions, paragraphs sentences, clauses, or phrases are declared unconstitutional, invalid, or ineffective.

SECTION 5. The Deputy City Clerk shall certify to the passage of this Ordinance and shall cause this Ordinance to be published or posted as required by law.

SECTION 6. All of the above-referenced documents and information have been and are on file with the City Clerk of the City.

PASSED, APPROVED AND ADOPTED this XX day of XX 2017.

SHARI L. HORNE, Mayor

ATTEST:

YOLIE TRIPPY, Deputy City Clerk

APPROVED AS TO FORM:

DAVID B. COSGROVE, City Attorney

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF LAGUNA WOODS)

I, YOLIE TRIPPY, Deputy City Clerk of the City of Laguna Woods, do
HEREBY CERTIFY that the foregoing **Ordinance No. 17-XX** was duly introduced
and placed upon its first reading at a regular meeting of the City Council on the XX
day of XX 2017, and that thereafter, said Ordinance was duly adopted and passed at
a regular meeting of the City Council on the XX day of XX 2017 by the following
vote to wit:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

YOLIE TRIPPY, Deputy City Clerk

7.3

**BUILDING, PLANNING, AND
ENCROACHMENT PERMIT FEES**

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City of Laguna Woods Agenda Report

TO: Honorable Mayor and City Councilmembers
FROM: Christopher Macon, City Manager
FOR: April 19, 2017 Regular Meeting
SUBJECT: Building, Planning, and Encroachment Permit Fees

Recommendation

1. Receive staff report.

AND
2. Open public hearing.

AND
3. Receive public testimony.

AND
4. Close public hearing.

AND
5. Approve a resolution entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING NEW AND INCREASED OR MODIFIED BUILDING AND PLANNING SERVICES FEES, AND ENCROACHMENT PERMIT FEES

Background

ClearSource Financial, under contract with the City, recently completed a study of the “nexus” between the City’s fees and the reasonable costs of providing building and planning services, as well as encroachment permitting (Attachment A). That study is a part of the City’s annual evaluation of the adequacy and rationality of its fees, including its reasonable costs of providing services.

The Building, Planning, and Encroachment Permit Fee Study includes calculations of how fees would need to be established in order to recover the City’s reasonable costs of providing services. State law prohibits the City from charging more than its reasonable costs. While the City may charge less than its reasonable costs, the practical implication of doing so is that subsidies would then be borne by taxpayers as the City covers its costs with property tax, sales tax, or other revenues that could otherwise be used to fund and maintain other programs, projects, and services.

Concurrent with the preparation of the Building, Planning, and Encroachment Permit Fee Study, a Central Services Cost Allocation Study was prepared to (1) estimate the share of citywide overhead costs eligible for recovery from fees and (2) calculate a citywide indirect cost rate. The outcomes of that study have been incorporated into the Building, Planning, and Encroachment Permit Fee Study.

Discussion

At today’s meeting, the City Council will conduct a public hearing regarding the proposed Building, Planning, and Encroachment Permit Fee Schedule (Attachment B), after which adoption will be considered. In accordance with State law, any new and increased or modified fees could take effect no less than 60 days from the date of adoption. Staff recommends an effective date of June 19, 2017.

In addition to being attached to this report, the proposed Building, Planning, and Encroachment Permit Fee Schedule, including a list of all proposed fees, and the accompanying Building, Planning, and Encroachment Permit Fee Study, have been publically available at Laguna Woods City Hall and on the City’s website since April 3, 2017. The Central Services Cost Allocation Study has also been publically available on the City’s website and at Laguna Woods City Hall.

Due to the City’s current moratorium on medical marijuana dispensaries, neither of the medical marijuana dispensary-related regulatory permit fees were evaluated as a part of the Building, Planning, and Encroachment Permit Fee Study.

In addition to the fees previously considered by the City Council on February 15, 2017, the proposed fee study and fee schedule include three new fees related to the implementation of new wireless facilities regulations.

Environmental Review

The adoption of building, planning, and encroachment permit fees is not a project under the requirements of the California Environmental Quality Act (CEQA), pursuant to sections 15061(b)(3) and 15273 of the CEQA Guidelines.

Fiscal Impact

The proposed Building, Planning, and Encroachment Permit Fee Schedule would modify cost recovery for most fees to 100% and would include both fee increases and fee reductions. In accordance with State law, revenue from fees would offset only the City's reasonable costs of providing services.

Funds to support this project are included in the City's budget.

Attachments: A – Building, Planning, and Encroachment Permit Fee Study
B – Proposed Resolution
Exhibit A – Proposed Building, Planning, and Encroachment Permit Fee Schedule

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City of Laguna Woods Building, Planning, and Encroachment Permit Fee Study

- March 2017 -

(This represents an updated version of the Building, Planning, and Encroachment Permit Fee Study Report, dated "February 2017". This version has been updated to reflect estimated costs of service for review of requests for wireless use permits and eligible facility request permits. All other information presented in the February 2017 report remains unchanged.)



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Executive Summary

Background

The City of Laguna Woods conducts periodic examinations of the various user and regulatory fees it collects. Routinely examining the costs of providing fee related services and making deliberate decisions about the recovery of costs and fee modifications helps cities maintain fiscal sustainability and respond to the changing needs of citizens, changes in regulations, and changes in local and regional economies.

The current study examines the City's costs of providing building, planning, and encroachment permit fee-related services. The outcomes and recommendations of the study are intended to comply with applicable federal, state, and local laws including providing confirmation that the proposed fees (charges) recommended as a result of this study are not a tax as defined in Article 13C of the California Constitution and that the proposed fees are no more than necessary to cover the reasonable costs of the City's activities and services addressed in the fees. Additionally, this report is intended to show that the manner in which the costs are allocated to a payor bear a fair and reasonable relationship to the payor's burdens on, or benefits received from the activities and services provided by the City of Laguna Woods.

The primary goals of this study were to:

- Identify the full cost of providing building, planning, and encroachment fee-related services
- Calculate fully-burdened hourly rates for fee-related service providers
- Determine current cost recovery levels
- Examine existing fee calculation methodologies and modify, if necessary, to more closely align calculation methodology to the cost of services being provided
- Provide a sample fee schedule that illustrates fees assuming full or targeted cost recovery levels
- Estimate anticipated revenue impacts of modifying fees to reflect full or targeted cost recovery
- Deliver an updated schedule of fees after Council review and adoption of any fee modifications

Key Findings

- **Building**
 - 81 individual building fee categories were examined as part of this study.
 - Permit processing times were recalibrated for many services based on feedback received from City staff and building contract personnel.
 - The cost of service for 49 fee categories remains unchanged (minor adjustments are due to rounding)
 - The cost of service for 26 fee categories increased slightly due to modified service time estimates
 - The cost of service for 6 fee categories decreased slightly due to reduced service time estimates

- The cost of service study calculated a \$138 fully-burdened hourly rate for fee-related building services. The prior study also calculated a \$138 fully-burdened hourly rate.
- Proposed cost recovery is 100% for the majority of services examined.
- **Planning**
 - Roughly 30 individual planning fee categories were examined as part of this study.
 - Minor fee reductions are proposed for the majority of fees. The proposed fee reductions assume most in-house planning fee-related services will be led by a City Management Analyst. The Management Analyst position is a lower cost position than the Assistant City Manager position that previously led the City's in-house planning fee-related service efforts.
 - The City's proposed fees are intended to recover 100% of the cost of service (exception for Appeal Fee. The Appeal fee is set to recover roughly 25% of the cost of service).
 - The cost of service study calculated a \$142 fully-burdened hourly rate for fee-related planning services. The prior study calculated a \$150 fully-burdened hourly rate. The sample fee schedule provided in the Appendix of this report illustrates fee changes assuming recovery of 100% of the estimated cost of service.
 - A new fee is proposed for requests for new street addresses or modifications of an existing address.
 - New fees are proposed for wireless use permit filings, eligible facility request permit filings, and pre-submittal meetings associated with eligible facility request permits.
- **Encroachment Permit Fees**
 - Each year, the City typically issues between 25 and 35 encroachment permits. For most of these permits, the City currently collects an initial deposit and charges against the deposit for any encroachment permit-related costs. While this method ensures the City recovers its costs, it makes it difficult for applicants to forecast fees and requires the City to manage many deposits.
 - This study developed a sample fee structure intended to reduce the use of deposits, while creating fixed fee categories that correspond to the nature of encroachment requests likely to occur in the City of Laguna Woods.
 - The sample fee structure was developed with an overarching goal of fee equity, meaning less complex projects and/or projects with a shorter duration, result in lower encroachment permit fees than more complex projects and/or projects with a longer duration.
 - The City's proposed fees are intended to recover 100% of the cost of service.
 - The cost of service study calculated a \$165 fully-burdened hourly rate for fee-related encroachment-permit services.

Recommendations

The fees included as part of this study are set at the direction of the City Council. Consequently, the City Council may adopt fees and modify them at a future date as costs of service change, city policies or goals change, project volumes change, service recipient feedback is received, and annual revenue impact of fees is confirmed.

If the City decides to adopt modified fees it should:

- **Ensure that City staff begin fee collections using updated fee schedules** once the adopted fees are effective.
- **Actively monitor and bill for deposit-based fees** - Fees for highly variable services are often set to recover the estimated full cost of service, using an hourly billing methodology and collection of an initial deposit. In order to recover the targeted amounts expected from these fees, the City should be diligent about tracking time for deposit-based projects and requesting additional amounts for projects with costs exceeding those collected via the initial deposit.
- **Periodically Review and Adjust Fees and Calculation Methodologies** – As part of this study, several changes were made to fee calculation methodologies. These changes were made in an effort to more closely align fees to the services provided. The city should continue its proactive efforts to refine fee structures to reflect the review and permitting services provided by the city. Additionally, the fee schedule allows for hourly billing of projects that fall outside the scope of those considered when developing the fee schedule. Also, if fees for services are unintentionally omitted from the adopted fee schedule, they should be added to the fee schedule as part of a future update.
- **Monitor feedback and permit statistics** - Monitor permit and application volumes and homeowner/contractor feedback to determine if fee modifications are resulting in any unanticipated changes in project frequency and to increase the level of detail available for revenue forecasting.

Additionally, the City may consider the following:

- **Adjust fees on an annual basis using inflationary index** - In order to maintain pace with regional cost inflation, the City should consider adjusting its fees on an annual basis. The all-urban Consumer Price Index for Los Angeles, Riverside, and Orange County is a readily available inflationary index that may be used for adjusting fees (alternative indices are available).
- **Conduct future fee studies on a regular basis** – In order to avoid situations where cost recovery levels fall below full or targeted levels, the City should consider conducting future fee studies whenever operations change significantly or, at a minimum, every two fiscal years.

Legislative Guidance

The objectives of the study, the methodology used to complete the study, and the proposed fees were significantly influenced by Article 13C of the California Constitution and Section 66014 of the California Government Code.

Article 13C states that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity. Additionally, Article 13C identifies the following as items that are *not* defined as taxes:

- 1) A charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.
- 2) A charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.
- 3) A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof.
- 4) A charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property.
- 5) A fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law.
- 6) A charge imposed as a condition of property development.
- 7) Assessments and property-related fees imposed in accordance with the provisions of Article XIII D.

Section 66014(a) of the California Government Code includes the following, "Notwithstanding any other provision of law, when a local agency charges fees for zoning variances; zoning changes; use permits; building inspections; building permits; ...the processing of maps under the provisions of the Subdivision Map Act...; or planning services...; those fees may not exceed the estimated reasonable cost of providing the service for which the fee is charged, unless a question regarding the amount of the fee charged in excess of the estimated reasonable cost of providing the services or materials is submitted to, and approved by, a popular vote of two-thirds of those electors voting on the issue."

Study Methodology

This study calculated the estimated reasonable cost of providing various building, planning, and encroachment permit fee-related services. Generally, the estimated reasonable cost of providing the fee-related services and activities examined in this study can be calculated as the product of the composite fully-burdened hourly labor rate of the in-house staff or contract service personnel responsible for providing services and the estimated labor time required to process a typical request for service (see illustration below).

$$\text{Hourly rate} * \text{Labor hours} = \text{Cost of service}$$

The composite fully-burdened hourly rates calculated in this study are based on the estimated annual hours spent providing fee related services, and estimated labor, services and supplies, and citywide overhead expenditures:

- Estimated annual hours spent providing fee related services were developed based on responses received from multiple interviews and targeted questionnaires.
- Labor expenditures for in-house personnel were based on forecasts of Fiscal Year 2016/17 salary and benefits expenditures.
- Contract service personnel related costs were based on the rates outlined in the consultant agreements established for various building, planning, and engineering services.
- All other services and supplies expenditures were based on Fiscal Year 2016/17 budgeted expenditures.

Estimated labor times were developed based on responses received from multiple interviews and targeted questionnaires of the staff primarily responsible for the provision of services examined in the study, along with an extensive review of actual permits issued during previous years.

Once cost of service levels are identified, the City may use this information to inform targeted cost recovery from fees. Fees set at the cost of service target full cost recovery. Fees set at any amount less than the cost of service target less than full cost recovery.

$$\text{Proposed fee} \div \text{Cost of service} = \text{Targeted Cost Recovery}$$

General Findings

Building Fees

The Planning and Environmental Services Department provides permitting, plan check, and inspection services for all new construction, alterations, and additions throughout Laguna Woods, enforcing the provisions of the California Building Standards Code. Additionally the Department serves as a primary building code resource to contractors, architects, engineers, developers, business owners, and property owners in Laguna Woods.

- 81 individual building fee categories were examined as part of this study.
- Permit processing times were recalibrated for many services based on feedback received from City staff and building contract personnel.
 - The cost of service for 49 fee categories remains unchanged (minor adjustments are due to rounding)
 - The cost of service for 26 fee categories increased slightly due to modified service time estimates
 - The cost of service for 6 fee categories decreased slightly due to reduced service time estimates
- The cost of service study calculated a \$138 fully-burdened hourly rate for fee-related building services. The prior study also calculated a \$138 fully-burdened hourly rate.
- Proposed cost recovery is 100% for the majority of services examined.

Planning Fees

The Planning and Environmental Services Department leads the City's current and long-range planning efforts, including processing and review of applications for development within the City of Laguna Woods. Additionally the Department serves as a primary planning and zoning resource to contractors, architects, engineers, developers, business owners, and property owners in Laguna Woods.

Roughly 30 individual planning fee categories were examined as part of this study. Significant findings from the cost of service analysis include:

- Minor fee reductions are proposed for the majority of fees. The proposed fee reductions assume the majority of in-house planning fee-related services will be led by a City Management Analyst. The Management Analyst position is a lower cost position than the Assistant City Manager position that previously led the City's in-house planning fee-related service efforts. The cost of service study calculated a \$142 fully-burdened hourly rate for fee-related planning services. The prior fee study calculated a \$150 fully-burdened hourly rate.
- The City's proposed fees are intended to recover 100% of the cost of service (exception for Appeal Fee. The Appeal fee is set to recover roughly 25% of the cost of service).

Encroachment Permit Fees

Each year, the City typically issues between 25 and 35 encroachment permits for activities occurring within the City right-of-way. The primary applicants for encroachment permits in the City of Laguna Woods include utility and telecommunications companies such as Southern California Edison, AT&T, and regional water districts. Additionally, requests for encroachments may be received from landscaping companies, environmental engineering companies, and other businesses and contractors.

For most of these permits, the City currently collects an initial deposit and charges against the deposit for any encroachment permit-related costs. While this method ensures the City recovers its costs, it makes it difficult for applicants to forecast fees and requires the City to manage many deposits.

This study developed a sample fee structure intended to reduce the use of deposits, while creating fixed fee categories that correspond to the nature of encroachment requests likely to occur in the City of Laguna Woods. The findings are based on numerous discussions with the City Engineer and a review of common encroachment requests received by the City. Additionally the sample fee structure is developed with an overarching goal of fee equity, meaning less complex projects and/or projects with a shorter duration, result in lower encroachment permit fees than more complex projects and/or projects with a longer duration. A comparison of the current fee structure and the fee structure developed as part of this study is summarized in the following tables.

Categorization of Encroachment Requests Categories (“Minor” or “Major” Encroachment)

Typical Characteristics of Minor Projects	Examples of Minor Projects
• Non-ground disturbing activities • Project duration is typically three days or less • Projects require only minor traffic control, if any. Traffic control is removed daily.	• Landscape projects along parkway (e.g. trimming) • Temporary staging for a project outside the public right-of-way • Events that require closure of traffic lanes (e.g. marathon or walk) • Utility projects that do not require excavation, such as inspection of manholes, vaults, etc. • Replacement of a damaged street pole
Typical Characteristics of Major Projects	Examples of Major Projects
• Projects that disturb the pavement, sidewalk or the surface ground • Projects that last longer than three days and/or require permanent traffic control for the duration of the project	• Projects requiring excavation, such as installing a manhole or modifying the structure of a vault • Projects that require trenching within the public right-of-way (e.g. projects requiring re-pavement or re-installation of sidewalk panels, etc.

Comparison of Current Fee Structure and Fee Structure Developed as Part of this Study

Current Fee Structure	Advantages	Disadvantages
Bill per hour with variable initial deposit depending on project characteristics	Allows for full recovery of costs	- Increases difficulty for applicants to forecast fees - Requires significant city staff time to manage deposits - Increases difficulty to alter cost recovery targets for varying project types
Fee Structure from Study	Advantages	Disadvantages
Significant use of fixed fee categories based on project type. Reduced use of deposits.	- Fees tailored to projects likely to occur in Laguna Woods - Fixed fees allow applicants to forecast their fees - Allow City staff to consistently apply fee schedule - Reduced time associated with deposit management	Fixed fees are based on typical project types, consequently, fees may result in over/under-recovery for projects that require effort different from that assumed in the fee calculation

Anticipated Revenue Impact of Fee Structure Modifications

The City's current deposit-based fee structure is intended to recover the full cost of encroachment permitting services and activities. The sample fee structure developed as part of this study is based on the assumption that the City will continue to target full cost recovery for encroachment permit fees. If the City continues this practice, the revenue impact of any fee schedule modification is anticipated to be immaterial.

Appendix

The appendix provides detailed analytical findings from the study, including the amount of cost, or estimated cost, required to provide the services for which the fee or service charge is levied and the revenue sources anticipated to provide the service, including General Fund revenues. For any fees targeted to recover less than 100% of the estimated reasonable cost of service, it is anticipated that General Fund revenues of the City would fund the difference between the targeted recovery level and 100% recovery of the estimated cost of service. These amounts are identified in the Working Version of the Schedules of Building, Planning, and Encroachment Permit Fees. Additionally, the appendix includes a sample, for illustrative purposes, of the Master Schedules of Building, Planning, and Encroachment Permit Fees assuming full or targeted cost recovery levels.

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Calculation of Fully-Burdened Hourly Rates

Calculation of Fully-Burdened Hourly Rate

Building

ITEM 7.3 - Attachment A

City of Laguna Woods

Study of Building, Planning, and Encroachment Permit Fees

Planning & Environmental Services (Building) - Allocation of Annual Labor Effort [a]

Position	Bldg Official	Bldg Insp'ctr Shift I-1	Bldg Insp'ctr Shift I-2	Bldg Insp'ctr Shift I-3	P'rmt Technician	Permit Assistant	Add'l Contract Svcs [b]	Total
Allocation to Building	100%	100%	100%	100%	100%	100%	100%	
Calculation of Productive Hours								
Annual Hours - Standard	832	2,080	1,664	416	2,080	2,080	100	9,252
Less: Annual Leave	-	-	-	-	-	-	-	-
Productive Hours	832	2,080	1,664	416	2,080	2,080	100	9,252
Indirect Activities and Services								
General Administration and Mgmt	158	390	312	78	390	390	-	1,718
Certification and Training	-	-	-	-	-	-	-	-
Code, Policies, and Procedures Update	42	-	-	-	-	-	-	42
Code Enforcement and Compliance	42	-	-	-	-	-	-	42
Permit Processing and Support	-	-	-	-	-	1,125	-	1,125
Public Information and Assistance	83	-	-	-	195	195	-	473
Total Indirect Activities and Services Work Hours	324	390	312	78	585	1,710	-	3,399
Direct Hours	508	1,690	1,352	338	1,495	370	100	5,853
Salary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contract Services	\$ 65,545	\$ 147,056	\$ 117,645	\$ 29,411	\$ 136,552	\$ 66,175	\$ 12,500	\$ 574,884
Total	\$ 65,545	\$ 147,056	\$ 117,645	\$ 29,411	\$ 136,552	\$ 66,175	\$ 12,500	\$ 574,884
Indirect Activities and Services								
General Administration and Mgmt	19%	19%	19%	19%	19%	19%	0%	18%
Certification and Training	0%	0%	0%	0%	0%	0%	0%	0%
Code, Policies, and Procedures Update	5%	0%	0%	0%	0%	0%	0%	1%
Code Enforcement and Compliance	5%	0%	0%	0%	0%	0%	0%	1%
Permit Processing and Support	0%	0%	0%	0%	0%	54%	0%	6%
Public Information and Assistance	<u>10%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>9%</u>	<u>9%</u>	<u>0%</u>	<u>4%</u>
Total Indirect Activities and Services Work Hours	39%	19%	19%	19%	28%	82%	0%	30%
Direct Hours	61%	81%	81%	81%	72%	18%	100%	70%

Notes

[a] Source: Contract services agreements and annual labor allocation feedback provided by Planning and Environmental Services Department and City Management staff.

[b] E.g. CASp, consulting Building Official, engineering.

City of Laguna Woods

Study of Building, Planning, and Encroachment Permit Fees

Planning & Environmental Services (Building) - Calculation of Fully-Burdened Hourly Rate

Estimated In-House Labor and Contract Services Expenditures [a][b][c]

Description	Total	Notes
Salaries	\$ -	
Benefits	\$ -	
Contract Services	\$ 574,884	
Total - Labor Expenditures	\$ 574,884	

Recurring Non-Labor Expenditures

Description	FY 2016/17 Budget	Adjustment	Subtotal	Notes
Planning & Environmental Services				
<u>General Expenses</u>				
Building Services	\$ 526,900	\$ (526,900)	\$ -	[d]
Building Services, Printing	\$ 1,800	\$ -	\$ 1,800	[e]
Building Services, Publications	\$ 1,000	\$ -	\$ 1,000	[f]
Code Enforcement Services	\$ 40,592	\$ (40,592)	\$ -	[g]
Community Waste Events and Collections	\$ 53,550	\$ (53,550)	\$ -	[g]
Planning Services	\$ 15,000	\$ (15,000)	\$ -	[g]
Non-Operating	\$ -	\$ -	\$ -	[g]
Waste Management Services	\$ 35,000	\$ (35,000)	\$ -	[g]
Water Quality Services	\$ 99,677	\$ (99,677)	\$ -	[g]
<u>Compensation & Benefits</u>				
Salaries, Full-time	\$ 88,712	\$ (88,712)	\$ -	[h]
Community Events	\$ 5,320	\$ (5,320)	\$ -	[h]
Fringe Benefits	\$ 12,000	\$ (12,000)	\$ -	[h]
Payroll Taxes	\$ 6,786	\$ (6,786)	\$ -	[h]
Community Events	\$ 407	\$ (407)	\$ -	[h]
Retirement	\$ 8,406	\$ (8,406)	\$ -	[h]
Community Events	\$ 504	\$ (504)	\$ -	[h]
Long-term Disability	\$ 897	\$ (897)	\$ -	[h]
Subtotal	\$ 896,551	\$ (893,751)	\$ 2,800	

Departmental Overhead

Description	Dept OH Personnel	Bldg Share of Est Dept OH	Total	Notes
Estimated Departmental Overhead	\$ 123,032	30%	\$ 36,910	[i]

City of Laguna Woods

Study of Building, Planning, and Encroachment Permit Fees

Planning & Environmental Services (Building) - Calculation of Fully-Burdened Hourly Rate

Citywide Overhead

Description	FY 17/18 C'wide Indirect Rate	Modified Direct Expenditures	Bldg Share of C'wide Overhead	Notes
Estimated Citywide Overhead	32%	\$ 614,594	\$ 196,670	[j][k]

Calculation of Fully-Burdened Hourly Rate

Description	Annual Allocation [a]	Labor	Non-Labor	Dept Overhead	Citywide Overhead	Total	Targeted Recovery from Fees	Amount Recoverable from Fees	Targeted Hourly Rate
General Administration and Mgmt	18%	\$ 105,611	\$ 514	\$ 6,781	\$ 36,130	\$ 149,036	99%	\$ 147,995	\$ 25
Certification and Training	0%	\$ -	\$ -	\$ -	\$ -	\$ -	100%	\$ -	\$ -
Code, Policies, and Procedures Update	1%	\$ 3,277	\$ 16	\$ 210	\$ 1,121	\$ 4,625	100%	\$ 4,625	\$ 1
Code Enforcement and Compliance	1%	\$ 3,277	\$ 16	\$ 210	\$ 1,121	\$ 4,625	0%	\$ -	\$ -
Permit Processing and Support	6%	\$ 35,792	\$ 174	\$ 2,298	\$ 12,245	\$ 50,509	100%	\$ 50,509	\$ 9
Public Information and Assistance	4%	\$ 25,560	\$ 124	\$ 1,641	\$ 8,744	\$ 36,070	100%	\$ 36,070	\$ 6
Direct Hours	70%	\$ 401,367	\$ 1,955	\$ 25,769	\$ 137,309	\$ 566,400	100%	\$ 566,400	\$ 97
Total	100%	\$ 574,884	\$ 2,800	\$ 36,910	\$ 196,670	\$ 811,264	99%	\$ 805,598	\$ 138
								Direct Hours	5,853

Notes

[a] See worksheet labeled "Planning & Environmental Services (Building) - Allocation of Annual Labor Effort".

[b] Excludes in-house labor expenses budgeted to this department, since the forecasted expenditures for in-house staff are allocated as part of the departmental overhead costs. Adjustment to avoid double counting.

[c] The expenditures shown here are reflective of the current contract services costs anticipated to be incurred for Building Official, structural engineering plan review, over the counter plan review, and permit inspection.

[d] Accounted for in labor and contract services section of the model. Adjustment to avoid double counting.

[e] For printing of development related forms and job cards.

[f] For building code books.

[g] Adjustment to exclude costs not linked to building fee-related services.

[h] These expenses have been adjusted out to avoid double counting. They are accounted for in the departmental overhead section of this model.

[i] Amount represents compensation and benefits of the Management Analyst for development programs.

[j] See Citywide Overhead Cost Allocation Plan for FY 17/18 - Full Cost Version.

[k] Building share of estimated citywide overhead calculated as follows: citywide indirect cost rate * modified direct expenditures for building fee-related services.

Calculation of Fully-Burdened Hourly Rate

Planning

City of Laguna Woods

Study of Building, Planning, and Encroachment Permit Fees

Planning & Environmental Services (Planning) - Allocation of Annual Labor Effort [a]

Position	Mgmt. Analyst [a]	Contract Services [b]	Total
Allocation to Planning	60%	100%	
Calculation of Productive Hours			
Annual Hours - Standard	1,248	250	1,498
Less: Annual Leave	72	-	72
Productive Hours	1,176	250	1,426
Indirect Activities and Services			
General Administration and Mgmt	294	-	294
Certification and Training	24	-	24
Code, Policies, and Procedures Update	59	-	59
Code Enforcement and Compliance	12	-	12
Public Information and Assistance	176	-	176
Total Indirect Activities and Services Work Hours	564	-	564
Direct Hours	612	250	862
Salary	\$ 53,227	\$ -	\$ 53,227
Benefits	\$ 16,853	\$ -	\$ 16,853
Contract Services	\$ -	\$ 23,750	\$ 23,750
Total	\$ 70,081	\$ 23,750	\$ 93,831
Indirect Activities and Services			
General Administration and Mgmt	25%	0%	19%
Certification and Training	2%	0%	1%
Code, Policies, and Procedures Update	5%	0%	4%
Code Enforcement and Compliance	1%	0%	1%
Public Information and Assistance	<u>15%</u>	<u>0%</u>	<u>11%</u>
Total Indirect Activities and Services Work Hours	48%	0%	36%
Direct Hours	52%	100%	64%

Notes

* Amounts represent estimated labor effort and costs associated with Planning functional division. Services provided to other functional divisions have been excluded from this analysis in order to avoid recovering non-planning related costs from planning fees. Estimated annual support to the Planning functional division is based on feedback received from City staff.

[a] Source: Annual labor allocation estimates provided by Planning and Environmental Services and City Management staff.

[b] Assumes 250 annual hours for current planning services at \$95 per hour.

City of Laguna Woods

Study of Building, Planning, and Encroachment Permit Fees

Planning & Environmental Services (Planning) - Calculation of Fully-Burdened Hourly Rate

Estimated In-House Labor and Contract Services Expenditures [a]

Description	Total	Notes
Salaries	\$ 53,227	
Benefits	\$ 16,853	
Contract Services	\$ 23,750	
Total - Labor Expenditures	\$ 93,831	

Recurring Non-Labor Expenditures

Description	FY 2016/17 Budget	Adjustment	Subtotal	Notes
Planning & Environmental Services				
<u>General Expenses</u>				
Building Services	\$ 526,900	\$ (526,900)	\$ -	[b]
Building Services, Printing	\$ 1,800	\$ (1,800)	\$ -	[b]
Building Services, Publications	\$ 1,000	\$ (1,000)	\$ -	[b]
Code Enforcement Services	\$ 40,592	\$ (40,592)	\$ -	[b]
Community Waste Events and Collections	\$ 53,550	\$ (53,550)	\$ -	[b]
Planning Services	\$ 15,000	\$ (15,000)	\$ -	[c]
Non-Operating	\$ -	\$ -	\$ -	[b]
Waste Management Services	\$ 35,000	\$ (35,000)	\$ -	[b]
Water Quality Services	\$ 99,677	\$ (99,677)	\$ -	[b]
<u>Compensation & Benefits</u>				
Salaries, Full-time	\$ 88,712	\$ (88,712)	\$ -	[d]
Community Events	\$ 5,320	\$ (5,320)	\$ -	[d]
Fringe Benefits	\$ 12,000	\$ (12,000)	\$ -	[d]
Payroll Taxes	\$ 6,786	\$ (6,786)	\$ -	[d]
Community Events	\$ 407	\$ (407)	\$ -	[d]
Retirement	\$ 8,406	\$ (8,406)	\$ -	[d]
Community Events	\$ 504	\$ (504)	\$ -	[d]
Long-term Disability	\$ 897	\$ (897)	\$ -	[d]
Subtotal	\$ 896,551	\$ (896,551)	\$ -	

City of Laguna Woods

Study of Building, Planning, and Encroachment Permit Fees

Planning & Environmental Services (Planning) - Calculation of Fully-Burdened Hourly Rate

Departmental Overhead

Description	Dept OH Personnel	Planning Est. Share of Dept Overhead	Total	Notes
Estimated Departmental Overhead	\$ 123,032	0%	\$ -	[e]

Citywide Overhead

Description	FY 17/18 C'wide Indirect Rate	Modified Direct Expenditures	Plan'g Share of C'wide Overhead	Notes
Estimated Citywide Overhead	32%	\$ 93,831	\$ 30,026	[f][g]

Calculation of Fully-Burdened Hourly Rate

Description	Annual Allocation [a]	Labor	Non-Labor	Dept Overhead	Citywide Overhead	Total	Targeted Recovery from Fees	Amount Recoverable from Fees	Targeted Hourly Rate
General Administration and Mgmt	19%	\$ 17,520	\$ -	\$ -	\$ 5,606	\$ 23,127	99%	\$ 22,914	\$ 27
Certification and Training	1%	\$ 1,402	\$ -	\$ -	\$ 449	\$ 1,850	100%	\$ 1,850	\$ 2
Code, Policies, and Procedures Update	4%	\$ 3,504	\$ -	\$ -	\$ 1,121	\$ 4,625	100%	\$ 4,625	\$ 5
Code Enforcement and Compliance	1%	\$ 701	\$ -	\$ -	\$ 224	\$ 925	0%	\$ -	\$ -
Public Information and Assistance	11%	\$ 10,512	\$ -	\$ -	\$ 3,364	\$ 13,876	100%	\$ 13,876	\$ 16
Direct Hours	64%	\$ 60,192	\$ -	\$ -	\$ 19,261	\$ 79,453	100%	\$ 79,453	\$ 92
Total	100%	\$ 93,831	\$ -	\$ -	\$ 30,026	\$ 123,856	99%	\$ 122,719	\$ 142
								Direct Hours	862

Notes

[a] See worksheet labeled "Planning & Environmental Services (Planning) - Allocation of Annual Labor Effort".

[b] Adjustment to exclude expenditures not linked to current planning fee-related services.

[c] Adjustment to exclude Contract Planning expenditures not related to applicant initiated planning activities.

[d] Accounted for in labor and contract services section of the model. Adjustment to avoid double counting.

[e] The Management Analyst for development programs is currently the primary contact point for current planning services. If additional personnel are added to this division in the future, the Planning division will receive a share of Departmental Overhead.

[f] See Citywide Overhead Cost Allocation Plan for FY 17/18 - Full Cost Version.

[g] Planning share of estimated citywide overhead calculated as follows: citywide indirect cost rate * modified direct expenditures for planning fee-related services.

Calculation of Fully-Burdened Hourly Rate

Encroachment Permits

City of Laguna Woods
 Study of Building, Planning, and Encroachment Permit Fees
 Calculation of Fully-Burdened Hourly Rate

Estimated Contract Services Hourly Rate for Encroachment Permitting

Description	Rate	Unit	Notes
City Engineer/ City Traffic Engineer	\$ 125	per hour	[a]
Total	\$ 125	per hour	

Recurring Non-Labor Expenditures

Description	FY 2016/17 Adopted	Adjustment	Subtotal	Notes
Engineering and Infrastructure Services				
<u>General Expenses</u>				
Engineering Services	\$ 7,500	\$ (7,500)	\$ -	[b]
Landscaping Services	\$ 60,131	\$ (60,131)	\$ -	[b]
Landscaping Services, M2 Maint of Effort	\$ 84,173	\$ (84,173)	\$ -	[b]
Maintenance, Catch Basins	\$ 2,800	\$ (2,800)	\$ -	[b]
<u>Utilities</u>				
Utilities, Street Lights, Residential	\$ 33,696	\$ (33,696)	\$ -	[b]
<u>Compensation & Benefits</u>				
Salaries, Full-time	\$ 36,380	\$ (36,380)	\$ -	[c]
Fringe Benefits	\$ 12,000	\$ (12,000)	\$ -	[c]
Payroll Taxes	\$ 5,566	\$ (5,566)	\$ -	[c]
Retirement	\$ 4,838	\$ (4,838)	\$ -	[c]
Long-term Disability	\$ 897	\$ (897)	\$ -	[c]
Subtotal	\$ 247,981	\$ (247,981)	\$ -	

Citywide Overhead

Description	FY 16/17 C'wide Overhead Rate	Notes
Estimated Citywide Overhead	32%	[d]

Calculation of Fully-Burdened Hourly Rate

Description	Services Hourly Rate	Citywide Overhead Rate	Total
Services	\$ 125	\$ 40	\$ 165

Notes:

[a] Source: Consultant Services Agreement for City Engineering and Traffic Operations Services.

[b] Adjustment to exclude expenditures not linked to fee-related services and/or adjustment to exclude items already considered in the contract services hourly rate section of this model.

[c] These expenditures are composed of a portion of the budgeted salary and benefits expenditures of the Mgmt. Analyst/Sr. Mgmt. Analyst position. The hourly rate calculation assumes any encroachment permit-related services provided by this position will be treated as direct services at the calculated fully-burdened hourly rate. This assumptions avoids duplicate counting of costs for similar work activities. If the department organization changes significantly, the encroachment permit services hourly rate may be recalculated to receive a proportionate share of departmental overhead.

[d] See Citywide Overhead Cost Allocation Plan for FY 17/18 - Full Cost Version.

Calculation of the Costs of Providing Fee Related Services

Calculation of the Costs of Providing Fee Related Services

Building

ITEM 7.3 - Attachment A

City of Laguna Woods

Study of Building, Planning, and Encroachment Permit Fees

Cost of Service Calculation - Building Fees

Fee Description		Cost of Service (Summary)					Cost Recovery Summary				Notes
		Est. Labor Time (Hours)	x	Hourly Rate	=	Cost of Service	Current Fee	Current Cost Recovery	Modified Fee Assuming Full or Targeted Cost Recovery	Modified Cost Recovery	
1	Water Heater Change Out	0.62	x	\$138	=	\$85	\$85	100%	\$85	100%	
2	Water Heater Relocation	1.08	x	\$138	=	\$149	\$142	95%	\$149	100%	
3	Dishwasher Change Out	0.62	x	\$138	=	\$85	\$85	100%	\$85	100%	
4	Tub to Tub Insert Only	1.17	x	\$138	=	\$161	\$142	89%	\$161	100%	
5	Tub to Tub Tile Back Only	1.58	x	\$138	=	\$218	\$200	92%	\$218	100%	
6	Shower to Shower Insert Only	1.17	x	\$138	=	\$161	\$142	89%	\$161	100%	
7	Shower to Shower Tile Only	2.00	x	\$138	=	\$275	\$257	93%	\$275	100%	
8	Tub to Shower Only	2.00	x	\$138	=	\$275	\$257	93%	\$275	100%	
9	Water/Drain Line (Install/Alter/Repair) w/out Structural	0.62	x	\$138	=	\$85	\$85	100%	\$85	100%	
10	Water/Drain Line (Install/Alter/Repair) with Structural	1.58	x	\$138	=	\$218	\$241	111%	\$218	100%	
11	Line Repair (CIPP)/Svc Install - First 30 LF	0.67	x	\$138	=	\$92	\$85	93%	\$92	100%	
12	Line Repair (CIPP)/Svc Install - Each Add'l 30 LF	0.42	x	\$138	=	\$57	\$57	100%	\$57	100%	
13	New HVAC / HVAC Change Out (Central System) - Residential	1.17	x	\$138	=	\$161	\$142	89%	\$161	100%	
14	New HVAC / HVAC Change Out (All Others) - Residential	0.62	x	\$138	=	\$85	\$85	100%	\$85	100%	
15	Electrical - Fixtures and Receptacles	0.67	x	\$138	=	\$92	\$85	93%	\$92	100%	
16	Washer/Dryer Hook Up	0.83	x	\$138	=	\$114	\$114	100%	\$114	100%	
17	Electrical Wheelchair Lift	3.25	x	\$138	=	\$447	\$418	93%	\$447	100%	
18	Re-Roof (Tile, Single-Ply) - First 1,000 SF	1.03	x	\$138	=	\$142	\$142	100%	\$142	100%	
19	Re-Roof (Tile, Single-Ply) - Each Add'l 1,000 SF	0.20	x	\$138	=	\$28	\$28	100%	\$28	100%	[a]
20	Re-Roof (All Other) - First 1,000 SF	1.25	x	\$138	=	\$172	\$142	83%	\$172	100%	
21	Re-Roof (All Other) - Each Add'l 5,000 SF	0.20	x	\$138	=	\$28	\$28	100%	\$28	100%	[a]
22	Fenestration - Skylights/Solartubes (1 Hr. Buildings)	1.17	x	\$138	=	\$161	\$184	114%	\$161	100%	
23	Fenestration - Skylights/Solartubes (All Others)	0.88	x	\$138	=	\$120	\$114	94%	\$120	100%	
24	Fenestration - Window Retrofit	0.96	x	\$138	=	\$132	\$114	86%	\$132	100%	
25	Fenestration - Doors/Windows (One New - Framed)	1.38	x	\$138	=	\$189	\$212	112%	\$189	100%	[b]
26	Structural, Drywall	0.92	x	\$138	=	\$126	\$126	100%	\$126	100%	
27	Structural, Insulation, Drywall	1.33	x	\$138	=	\$184	\$184	100%	\$184	100%	
28	Lath	1.00	x	\$138	=	\$138	\$184	133%	\$138	100%	
29	Structural, Insulation, Lath	2.17	x	\$138	=	\$298	\$298	100%	\$298	100%	
30	Structural, Insulation, Shear, Lath	3.58	x	\$138	=	\$493	\$494	100%	\$493	100%	
31	Framing/Structural - 1 inspection	1.92	x	\$138	=	\$264	\$264	100%	\$264	100%	[c]
32	Framing/Structural - 2 inspections	2.33	x	\$138	=	\$321	\$321	100%	\$321	100%	[c]
33	Framing/Structural - 3 inspections	2.75	x	\$138	=	\$379	\$379	100%	\$379	100%	[c]

City of Laguna Woods

Study of Building, Planning, and Encroachment Permit Fees

Cost of Service Calculation - Building Fees

Fee Description		Cost of Service (Summary)					Cost Recovery Summary				Notes
		Est. Labor Time (Hours)	x	Hourly Rate	=	Cost of Service	Current Fee	Current Cost Recovery	Modified Fee Assuming Full or Targeted Cost Recovery	Modified Cost Recovery	
34	Temporary Shade Structure (Commercial)	1.92	x	\$138	=	\$264	\$223	84%	\$264	100%	
35	Patio/Balcony Cover/Enclosure - Standard, Open, Pre-Engineered	1.33	x	\$138	=	\$184	\$177	96%	\$184	100%	
36	Patio/Balcony Cover/Enclosure - Standard, Enclosed, Pre-Engineered	2.00	x	\$138	=	\$275	\$269	98%	\$275	100%	
37	Patio/Balcony Cover/Enclosure - Site Specific Engineering	3.38	x	\$138	=	\$465	\$447	96%	\$465	100%	
38	Alteration - Residential (Res.) Kitchen	2.58	x	\$138	=	\$356	\$356	100%	\$356	100%	
39	Alteration - Res. Kitchen, plus HVAC OR Fenestration	3.00	x	\$138	=	\$413	\$413	100%	\$413	100%	
40	Alteration - Res. Kitchen, plus HVAC AND Fenestration/Other	3.42	x	\$138	=	\$470	\$471	100%	\$470	100%	
41	Alteration - Res. Kitchen, plus 1 Bath	3.00	x	\$138	=	\$413	\$413	100%	\$413	100%	
42	Alteration - Res. Kitchen, plus 2+ Bath (Includes bathroom splits)	3.42	x	\$138	=	\$470	\$471	100%	\$470	100%	
43	Alteration - Res. Kitchen, plus 1 Bath, plus HVAC OR Fenestration/Other	3.42	x	\$138	=	\$470	\$471	100%	\$470	100%	
44	Alteration - Res. Kitchen, plus 2+ Bath, plus HVAC OR Fenestration/Other	3.83	x	\$138	=	\$528	\$528	100%	\$528	100%	
45	Alteration - Res. Kitchen, plus 1 Bath, plus HVAC AND Fenestration/Other	3.83	x	\$138	=	\$528	\$528	100%	\$528	100%	
46	Alteration - Res. Kitchen, plus 2+ Bath, plus HVAC AND Fenestration/Other	4.25	x	\$138	=	\$585	\$585	100%	\$585	100%	
47	Alteration/Remodel - Res. 1 Bath	1.75	x	\$138	=	\$241	\$241	100%	\$241	100%	
48	Alteration/Remodel - Res. 2+ Baths (includes bathroom splits)	2.58	x	\$138	=	\$356	\$356	100%	\$356	100%	
49	Alteration - Res. 2+ Baths (incl. split), plus HVAC/Other	3.00	x	\$138	=	\$413	\$413	100%	\$413	100%	
50	Room Addition	6.00	x	\$138	=	\$826	\$827	100%	\$826	100%	
51	Alteration/Remodel w/ Room Addition	8.50	x	\$138	=	\$1,170	\$1,171	100%	\$1,170	100%	
52	Sign (Wall) - First	1.17	x	\$138	=	\$161	\$154	96%	\$161	100%	
53	Sign (Wall) - Each Add'l	0.08	x	\$138	=	\$11	\$11	100%	\$11	100%	
54	Sign (Monument) - First	1.92	x	\$138	=	\$264	\$246	93%	\$264	100%	
55	Sign (Monument) - Each Add'l	0.17	x	\$138	=	\$23	\$23	100%	\$23	100%	
56	Antenna - Telecommunications	3.67	x	\$138	=	\$505	\$475	94%	\$505	100%	
57	Antenna - Equipment Shelter	1.75	x	\$138	=	\$241	\$211	88%	\$241	100%	
58	Solar - Residential Systems (Expedited Process)	1.67	x	\$138	=	\$229	\$211	92%	\$229	100%	
59	Solar - Residential Systems (All Others)	3.00	x	\$138	=	\$413	\$395	96%	\$413	100%	
60	Solar - Commercial Systems	8.50	x	\$138	=	\$1,170	\$1,000	85%	\$1,000	85%	[d]
61	Demolition - Residential Interior	1.17	x	\$138	=	\$161	\$184	114%	\$161	100%	
62	Demolition - Residential (All Other)	0.67	x	\$138	=	\$92	\$85	93%	\$92	100%	[e]
63	Demolition - Non-Residential	2.50	x	\$138	=	\$344	\$344	100%	\$344	100%	
64	Certificate of Occupancy - Temporary	0.62	x	\$138	=	\$85	\$85	100%	\$85	100%	
65	Certificate of Occupancy	1.87	x	\$138	=	\$257	\$257	100%	\$257	100%	

City of Laguna Woods

Study of Building, Planning, and Encroachment Permit Fees

Cost of Service Calculation - Building Fees

Fee Description		Cost of Service (Summary)					Cost Recovery Summary				Notes
		Est. Labor Time (Hours)	x	Hourly Rate	=	Cost of Service	Current Fee	Current Cost Recovery	Modified Fee Assuming Full or Targeted Cost Recovery	Modified Cost Recovery	
66	Miscellaneous/All Other - First Inspection	0.62	x	\$138	=	\$85	\$85	100%	\$85	100%	
67	Miscellaneous/All Other - Each Add'l Inspection	0.42	x	\$138	=	\$57	\$57	100%	\$57	100%	
68	Miscellaneous/All Other - Plan Check (Per Hr)	1.00	x	\$138	=	\$138	\$138	100%	\$138	100%	
69	Work Without Permit	1.33	x	\$138	=	\$184	\$165	90%	\$184	100%	
70	Re-Inspection - Missed Appointment	0.42	x	\$138	=	\$57	\$57	100%	\$57	100%	
71	Additional Inspections	0.62	x	\$138	=	\$85	\$85	100%	\$85	100%	
72	Replacement Job Card	0.20	x	\$138	=	\$28	\$34	125%	\$28	100%	
73	Cancelled Permit Refund Processing Fee	0.50	x	\$138	=	\$69	\$25	36%	\$25	36%	
74	State Energy Form Assistance (Upon Request) (Per Page)	0.25	x	\$138	=	\$34	\$4	12%	\$4	12%	
75	Building and Safety Appeal Application	1.00	x	\$138	=	\$138	\$138	100%	\$138	100%	
76	Alternate Materials Method Review (Per Hr)	1.00	x	\$138	=	\$138	\$138	100%	\$138	100%	
77	Inspection Outside of Normal Business Hours (Per Hr)	1.25	x	\$138	=	\$172	\$172	100%	\$172	100%	

Notes

[a] For purposes of calculating re-roof fees, fractional square footages shall be rounded up to the nearest 1,000 SF. For example 1,600 SF shall be rounded to 2,000 SF.

[b] For Installation of multiple doors or windows see Framing/Structural fees.

[c] Examples of items included in this fee include post, beam, beamtail, raftertail, corbel, shearpanel, and truss repair/replacement.

[d] California Government Code Section 66015(b)(1), establishes maximum fees for commercial rooftop solar energy systems. Fees shall not exceed \$1,000 for systems up to 50kW plus \$7 per kilowatt for each kilowatt between 51kW and 250kW, plus \$5 for each kilowatt above 250kW. Fees in excess of these amounts require written findings and resolution or ordinance.

[e] Fee for ceiling scrapes, lead paint removal, floor removal, etc.

City of Laguna Woods

Fee Study

Cost of Service Calculation - Building Fees

(New Construction & Tenant Improvements)

Hourly Rate		\$138	Estimated Labor Hours			Cost of Service					
Occupancy Classification		Threshold SqFt	Plan Check	Permit / Inspection	Total	Plan Check	Plan Check Fee per Add'l 100 SF	Permit / Inspection	Permit / Insp. Fee per Add'l 100 SF	Total	Total Fee Per Add'l 100 SF
1	Shell Building New Construction	500	7.50	7.50	15.00	\$1,032	\$24.09	\$1,032	\$44.74	\$2,065	\$68.82
		2,000	10.13	12.38	22.50	\$1,394	\$15.49	\$1,703	\$18.93	\$3,097	\$34.41
		5,000	13.50	16.50	30.00	\$1,858	\$9.29	\$2,271	\$11.36	\$4,129	\$20.65
		10,000	16.88	20.63	37.50	\$2,323	\$4.30	\$2,839	\$12.90	\$5,162	\$17.21
		20,000	20.00	30.00	50.00	\$2,753	varies	\$4,129	varies	\$6,882	varies
		> 20,000	varies	varies	varies	varies	varies	varies	varies	varies	varies
2	Accessory/Utility (e.g. Private garage, gatehouse) New Construction	100	1.75	3.25	5.00	\$241	\$80.30	\$447	\$149.12	\$688	\$229.42
		250	2.63	4.88	7.50	\$361	\$48.18	\$671	\$89.47	\$1,032	\$137.65
		500	3.50	6.50	10.00	\$482	\$24.09	\$895	\$44.74	\$1,376	\$68.82
		1,000	4.38	8.13	12.50	\$602	\$11.24	\$1,118	\$20.88	\$1,721	\$32.12
		2,500	5.60	10.40	16.00	\$771	varies	\$1,432	varies	\$2,202	varies
		> 2,500	varies	varies	varies	varies	varies	varies	varies	varies	varies
3	All Other New Construction	500	12.00	12.00	24.00	\$1,652	\$38.54	\$1,652	\$71.58	\$3,304	\$110.12
		2,000	16.20	19.80	36.00	\$2,230	\$24.78	\$2,725	\$30.28	\$4,955	\$55.06
		5,000	21.60	26.40	48.00	\$2,973	\$14.87	\$3,634	\$18.17	\$6,607	\$33.04
		10,000	27.00	33.00	60.00	\$3,717	\$6.88	\$4,542	\$20.65	\$8,259	\$27.53
		20,000	32.00	48.00	80.00	\$4,405	varies	\$6,607	varies	\$11,012	varies
		> 20,000	varies	varies	varies	varies	varies	varies	varies	varies	varies
4	Tenant Improvements New Construction	250	1.40	2.60	4.00	\$193	\$38.54	\$358	\$71.58	\$551	\$110.12
		500	2.10	3.90	6.00	\$289	\$19.27	\$537	\$35.79	\$826	\$55.06
		1,000	2.80	5.20	8.00	\$385	\$6.42	\$716	\$11.93	\$1,101	\$18.35
		2,500	3.50	6.50	10.00	\$482	\$6.26	\$895	\$11.63	\$1,376	\$17.89
		5,000	4.64	8.61	13.25	\$638	varies	\$1,186	varies	\$1,824	varies
		> 5,000	varies	varies	varies	varies	varies	varies	varies	varies	varies

Notes

* Current fees vary based on the estimated calculated value of the project for fee setting purposes.

City of Laguna Woods

Fee Study

Cost of Service Calculation - Building Fees

(New Construction & Tenant Improvements)

Hourly Rate		\$138	Current Fee						Current Cost Recovery				
Occupancy Classification		Threshold SqFt	Plan Check	Plan Check Fee per Add'l 100 SF	Permit / Inspection	Permit / Insp. Fee per Add'l 100 SF	Total	Total Fee Per Add'l 100 SF	Current Fee	Cost of Svc PC & Prmt Base Cost	Current Cost Recovery	Modified Fee Assuming Full or Targeted Cost Recovery	Modified Cost Recovery
1	Shell Building New Construction	500	\$1,033	\$24.11	\$1,033	\$44.77	\$2,066	\$68.88	\$2,066	\$2,065	100%	\$2,065	100%
		2,000	\$1,395	\$15.50	\$1,705	\$18.94	\$3,100	\$34.44	\$3,100	\$3,097	100%	\$3,097	100%
		5,000	\$1,860	\$9.30	\$2,273	\$11.37	\$4,133	\$20.66	\$4,133	\$4,129	100%	\$4,129	100%
		10,000	\$2,325	\$4.30	\$2,841	\$12.91	\$5,166	\$17.22	\$5,166	\$5,162	100%	\$5,162	100%
		20,000	\$2,755	varies	\$4,133	varies	\$6,888	varies	\$6,888	\$6,882	100%	\$6,882	100%
		> 20,000	varies		varies		varies		varies	varies		deposit	
2	Accessory/Utility (e.g. Private garage, gatehouse) New Construction	100	\$241	\$80.36	\$448	\$149.24	\$689	\$229.60	\$689	\$688	100%	\$688	100%
		250	\$362	\$48.22	\$672	\$89.54	\$1,033	\$137.76	\$1,033	\$1,032	100%	\$1,032	100%
		500	\$482	\$24.11	\$895	\$44.77	\$1,378	\$68.88	\$1,378	\$1,376	100%	\$1,376	100%
		1,000	\$603	\$11.25	\$1,119	\$20.89	\$1,722	\$32.14	\$1,722	\$1,721	100%	\$1,721	100%
		2,500	\$771	varies	\$1,433	varies	\$2,204	varies	\$2,204	\$2,202	100%	\$2,202	100%
		> 2,500	varies		varies		varies		varies	varies		deposit	
3	All Other New Construction	500	\$1,653	\$38.57	\$1,653	\$71.63	\$3,306	\$110.21	\$3,306	\$3,304	100%	\$3,304	100%
		2,000	\$2,232	\$24.80	\$2,728	\$30.31	\$4,959	\$55.10	\$4,959	\$4,955	100%	\$4,955	100%
		5,000	\$2,976	\$14.88	\$3,637	\$18.18	\$6,612	\$33.06	\$6,612	\$6,607	100%	\$6,607	100%
		10,000	\$3,719	\$6.89	\$4,546	\$20.66	\$8,265	\$27.55	\$8,265	\$8,259	100%	\$8,259	100%
		20,000	\$4,408	varies	\$6,612	varies	\$11,021	varies	\$11,021	\$11,012	100%	\$11,012	100%
		> 20,000	varies		varies		varies		varies	varies		deposit	
4	Tenant Improvements New Construction	250	\$193	\$38.57	\$358	\$71.63	\$551	\$110.21	\$551	\$551	100%	\$551	100%
		500	\$289	\$19.29	\$537	\$35.82	\$827	\$55.10	\$827	\$826	100%	\$826	100%
		1,000	\$386	\$6.43	\$716	\$11.94	\$1,102	\$18.37	\$1,102	\$1,101	100%	\$1,101	100%
		2,500	\$482	\$6.27	\$895	\$11.64	\$1,378	\$17.91	\$1,378	\$1,376	100%	\$1,376	100%
		5,000	\$639	varies	\$1,186	varies	\$1,825	varies	\$1,825	\$1,824	100%	\$1,824	100%
		> 5,000	varies		varies		varies		varies	varies		deposit	

Notes

* Current fees vary based on the estimated calculated value of the project for fee setting purposes.

ITEM 7.3 - Attachment A

City of Laguna Woods

Fee Study

Cost of Service Calculation - Building Fees

(New Construction & Tenant Improvements)

Hourly Rate		\$138	Proposed Fee						Proposed Cost Recovery				
Occupancy Classification		Threshold SqFt	Plan Check	Plan Check Fee per Add'l 100 SF	Permit / Inspection	Permit / Insp. Fee per Add'l 100 SF	Total	Total Fee Per Add'l 100 SF	Proposed Fee	Cost of Svc PC & Prmt Base Cost	Proposed Cost Recovery	Modified Fee Assuming Full or Targeted Cost Recovery	Modified Cost Recovery
1	Shell Building New Construction	500	\$1,032	\$24.09	\$1,032	\$44.74	\$2,065	\$68.82	\$2,065	\$2,065	100%	\$2,065	100%
		2,000	\$1,394	\$15.49	\$1,703	\$18.93	\$3,097	\$34.41	\$3,097	\$3,097	100%	\$3,097	100%
		5,000	\$1,858	\$9.29	\$2,271	\$11.36	\$4,129	\$20.65	\$4,129	\$4,129	100%	\$4,129	100%
		10,000	\$2,323	\$4.30	\$2,839	\$12.90	\$5,162	\$17.21	\$5,162	\$5,162	100%	\$5,162	100%
		20,000	\$2,753	varies	\$4,129	varies	\$6,882	varies	\$6,882	\$6,882	100%	\$6,882	100%
		> 20,000	varies		varies		varies		varies	varies		deposit	
2	Accessory/Utility (e.g. Private garage, gatehouse) New Construction	100	\$241	\$80.30	\$447	\$149.12	\$688	\$229.42	\$688	\$688	100%	\$688	100%
		250	\$361	\$48.18	\$671	\$89.47	\$1,032	\$137.65	\$1,032	\$1,032	100%	\$1,032	100%
		500	\$482	\$24.09	\$895	\$44.74	\$1,376	\$68.82	\$1,376	\$1,376	100%	\$1,376	100%
		1,000	\$602	\$11.24	\$1,118	\$20.88	\$1,721	\$32.12	\$1,721	\$1,721	100%	\$1,721	100%
		2,500	\$771	varies	\$1,432	varies	\$2,202	varies	\$2,202	\$2,202	100%	\$2,202	100%
		> 2,500	varies		varies		varies		varies	varies		deposit	
3	All Other New Construction	500	\$1,652	\$38.54	\$1,652	\$71.58	\$3,304	\$110.12	\$3,304	\$3,304	100%	\$3,304	100%
		2,000	\$2,230	\$24.78	\$2,725	\$30.28	\$4,955	\$55.06	\$4,955	\$4,955	100%	\$4,955	100%
		5,000	\$2,973	\$14.87	\$3,634	\$18.17	\$6,607	\$33.04	\$6,607	\$6,607	100%	\$6,607	100%
		10,000	\$3,717	\$6.88	\$4,542	\$20.65	\$8,259	\$27.53	\$8,259	\$8,259	100%	\$8,259	100%
		20,000	\$4,405	varies	\$6,607	varies	\$11,012	varies	\$11,012	\$11,012	100%	\$11,012	100%
		> 20,000	varies		varies		varies		varies	varies		deposit	
4	Tenant Improvements New Construction	250	\$193	\$38.54	\$358	\$71.58	\$551	\$110.12	\$551	\$551	100%	\$551	100%
		500	\$289	\$19.27	\$537	\$35.79	\$826	\$55.06	\$826	\$826	100%	\$826	100%
		1,000	\$385	\$6.42	\$716	\$11.93	\$1,101	\$18.35	\$1,101	\$1,101	100%	\$1,101	100%
		2,500	\$482	\$6.26	\$895	\$11.63	\$1,376	\$17.89	\$1,376	\$1,376	100%	\$1,376	100%
		5,000	\$638	varies	\$1,186	varies	\$1,824	varies	\$1,824	\$1,824	100%	\$1,824	100%
		> 5,000	varies		varies		varies		varies	varies		deposit	

Notes

* Current fees vary based on the estimated calculated value of the project for fee setting purposes.

Calculation of the Costs of Providing Fee Related Services

Planning

ITEM 7.3 - Attachment A

City of Laguna Woods

Study of Building, Planning, and Encroachment Permit Fees

Cost of Service Calculation - Planning Fees

Fee Description		Cost of Service (Summary)					Volume and Revenue Statistics					Notes	
		Est.	Targeted				Current Fee		Current	Modified Fee			Modified
		Labor Time	Hourly	Cost of	Cost	Assuming Full or Targeted			Cost				
		(Hours)	x	Rate	=	Service			Recovery	Cost Recovery	Recovery		
Fixed Fee Services													
1	Community Facilities Yearly Sign Permit	0.50	x	\$142	=	\$71	\$74	Flat	104%	\$71	Flat	100%	[a]
2	Film Permit	4.00	x	\$142	=	\$568	\$592	Flat	104%	\$568	Flat	100%	
3	Med. Marijuana Dispensary Permit - Renewal						\$1,850	Flat	n/a	\$1,850	Flat	100%	
4	New Address Est. / Address Change Request	2.50	x	\$142	=	\$355	n/a	Flat	n/a	\$355	Flat	100%	[c]
5	Notice of Exemption	2.00	x	\$142	=	\$284	\$296	Flat	104%	\$284	Flat	100%	
6	Outdoor Seating Permit	2.50	x	\$142	=	\$355	\$370	Flat	104%	\$355	Flat	100%	
7	Sign Permit - Part of Sign Program	0.50	x	\$142	=	\$71	\$74	Flat	104%	\$71	Flat	100%	[d]
8	Sign Permit - Permanent	2.00	x	\$142	=	\$284	\$296	Flat	104%	\$284	Flat	100%	
9	Sign Permit - Temporary	0.50	x	\$142	=	\$71	\$74	Flat	104%	\$71	Flat	100%	
10	Special Event Permit	2.00	x	\$142	=	\$284	\$296	Flat	104%	\$284	Flat	100%	[d]
11	Temporary Use Permit	4.00	x	\$142	=	\$568	\$592	Flat	104%	\$568	Flat	100%	
12	Tree Removal Permit	1.50	x	\$142	=	\$213	\$222	Flat	104%	\$213	Flat	100%	
13	Wireless Use Permit Filing Fee	11.50	x	\$142	=	\$1,633	n/a		n/a	\$1,633	Flat	100%	[d]
14	Eligible Facility Request Permit Filing Fee	8.50	x	\$142	=	\$1,207	n/a		n/a	\$1,207	Flat	100%	
15	Eligible Facility Request Permit Pre-Submittal Meeting	2.00	x	\$142	=	\$284	n/a		n/a	\$284	Flat	100%	
16	Zoning Letter	1.25	x	\$142	=	\$178	\$185	Flat	104%	\$178	Flat	100%	[b]
17	Appeal (City Council)	14.50	x	\$142	=	\$2,059	\$500	Flat	24%	\$500	Flat	24%	
Deposit-Based Fee Services													
18	Change Plan	16.00	x	\$142	=	\$2,272	\$2,000	Deposit	varies	\$2,000	Deposit	100%	[b]
19	Conditional Use Permit	28.75	x	\$142	=	\$4,083	\$4,000	Deposit	100%	\$4,000	Deposit	100%	
20	Development Agreement	133.50	x	\$142	=	\$18,957	\$10,000	Deposit	100%	\$10,000	Deposit	100%	
21	Environmental Impact Report	varies	x	\$142	=	varies	\$10,000	Deposit	100%	\$10,000	Deposit	100%	[b]
22	General Plan Amendment	131.50	x	\$142	=	\$18,673	\$10,000	Deposit	100%	\$10,000	Deposit	100%	
23	Zoning Code Amendment	131.50	x	\$142	=	\$18,673	\$10,000	Deposit	100%	\$10,000	Deposit	100%	
24	Initial Study/Neg. Dec./Mitigated Neg Dec.	varies	x	\$142	=	varies	\$5,000	Deposit	100%	\$5,000	Deposit	100%	[b]
25	Med. Marijuana Dispensary Permit - Initial						\$4,000	Deposit	100%	\$4,000	Deposit	100%	
26	Sign Program	19.00	x	\$142	=	\$2,698	\$2,500	Deposit	100%	\$2,500	Deposit	100%	
27	Site Development Permit	28.00	x	\$142	=	\$3,976	\$4,000	Deposit	100%	\$4,000	Deposit	100%	[b]
28	Specific Plan	133.50	x	\$142	=	\$18,957	\$10,000	Deposit	100%	\$10,000	Deposit	100%	
29	Variance	25.00	x	\$142	=	\$3,550	\$3,500	Deposit	100%	\$3,500	Deposit	100%	
30	Zone Change	116.50	x	\$142	=	\$16,543	\$10,000	Deposit	100%	\$10,000	Deposit	100%	[b]
31	Other Services Not Identified	varies	x	\$142	=	varies	varies	Deposit	100%	varies	Deposit	100%	

City of Laguna Woods
Study of Building, Planning, and Encroachment Permit Fees
Cost of Service Calculation - Planning Fees

		Cost of Service (Summary)				Volume and Revenue Statistics				
Fee Description	Est.	Targeted			Cost of Service	Current Cost Recovery	Modified Fee	Modified Cost	Notes	
	Labor Time	Hourly		Assuming Full or Targeted			Recovery			
	(Hours)	x	Rate	=			Cost Recovery	Recovery		

- Notes**
- [a] Film permit fee applies for major filming (production)
 - [b] Medical Marijuana Dispensary permit fees were not examined as part of this study due to the City's moratorium on medical marijuana dispensaries.
 - [c] A pass-through of any County filing fees will also be collected from the applicant.
 - [d] A pass-through of any noticing fees will also be collected from the applicant (e.g. mailing costs, newspaper publication).

Calculation of the Costs of Providing Fee Related Services

Encroachment Permits

City of Laguna Woods
Study of Building, Planning, and Encroachment Permit Fees
Cost of Service Calculation

Fee Description		Cost of Service (Summary)					Current and Proposed Cost Recovery				Notes
		Est. Labor Time (Hours)	x	Fully Burdened Hourly Rate	=	Cost of Service	Current Fee	Proposed Fee Assuming Full Cost Recovery		Proposed Cost Recovery	
Minor Projects											
1	Landscape Maintenance	1.50	x	\$165	=	\$248	varies	\$248	flat	100%	
2	Temporary Staging	1.50	x	\$165	=	\$248	varies	\$248	flat	100%	
3	Traffic Control Only	2.00	x	\$165	=	\$330	varies	\$330	flat	100%	
4	Utilities Structure Inspection	2.50	x	\$165	=	\$413	varies	\$413	flat	100%	
5	Pole Replacement	2.50	x	\$165	=	\$413	varies	\$413	flat	100%	
Major Projects											
6	Major Project										[a]
	a) First Day	4.00	x	\$165	=	\$660	varies	\$660	flat	100%	
	b) Each Additional Day	1.50	x	\$165	=	\$248	varies	\$248	per day	100%	
7	Projects Greater Than Two Weeks in Duration	varies	x	\$165	=	varies	varies	\$3,000	deposit		

Notes

[a] Major Projects include ground disturbing activities, projects lasting longer than three days, or projects that require permanent traffic control for the duration of the project (e.g. excavation, trenching, boring, etc.).

* The City Manager may waive encroachment permit fees for activities associated with City projects or contracts.

Working Version of the Master Fee Schedule

City of Laguna Woods								
Working Version of the Schedule of Building Fees - Mechanical, Electrical, Plumbing, and Miscellaneous Items								
Fee Description		Current Fee	Est. Cost of Service	Current Cost Recovery	Modified Fee Assuming Full or Targeted Cost Recovery [a]	Increase (Decrease) Amount	Modified Cost Recovery	Notes
1	Water Heater Change Out	\$85	\$85	100%	\$85	(\$0)	100%	
2	Water Heater Relocation	\$142	\$149	95%	\$149	\$7	100%	
3	Dishwasher Change Out	\$85	\$85	100%	\$85	(\$0)	100%	
4	Tub to Tub Insert Only	\$142	\$161	89%	\$161	\$18	100%	
5	Tub to Tub Tile Back Only	\$200	\$218	92%	\$218	\$18	100%	
6	Shower to Shower Insert Only	\$142	\$161	89%	\$161	\$18	100%	
7	Shower to Shower Tile Only	\$257	\$275	93%	\$275	\$18	100%	
8	Tub to Shower Only	\$257	\$275	93%	\$275	\$18	100%	
9	Water/Drain Line (Install/Alter/Repair) w/out Structural	\$85	\$85	100%	\$85	(\$0)	100%	
10	Water/Drain Line (Install/Alter/Repair) with Structural	\$241	\$218	111%	\$218	(\$23)	100%	
11	Line Repair (CIPP)/Svc Install - First 30 LF	\$85	\$92	93%	\$92	\$7	100%	
12	Line Repair (CIPP)/Svc Install - Each Add'l 30 LF	\$57	\$57	100%	\$57	(\$0)	100%	
13	New HVAC / HVAC Change Out (Central System) - Residential	\$142	\$161	89%	\$161	\$18	100%	
14	New HVAC / HVAC Change Out (All Others) - Residential	\$85	\$85	100%	\$85	(\$0)	100%	
15	Electrical - Fixtures and Receptacles	\$85	\$92	93%	\$92	\$7	100%	
16	Washer/Dryer Hook Up	\$114	\$114	100%	\$114	(\$0)	100%	
17	Electrical Wheelchair Lift	\$418	\$447	93%	\$447	\$29	100%	
18	Re-Roof (Tile, Single-Ply) - First 1,000 SF	\$142	\$142	100%	\$142	(\$0)	100%	[b]
19	Re-Roof (Tile, Single-Ply) - Each Add'l 1,000 SF	\$28	\$28	100%	\$28	(\$0)	100%	[b]
20	Re-Roof (All Other) - First 1,000 SF	\$142	\$172	83%	\$172	\$30	100%	[b]
21	Re-Roof (All Other) - Each Add'l 5,000 SF	\$28	\$28	100%	\$28	(\$0)	100%	[b]
22	Fenestration - Skylights/Solartubes (1 Hr. Buildings)	\$184	\$161	114%	\$161	(\$23)	100%	
23	Fenestration - Skylights/Solartubes (All Others)	\$114	\$120	94%	\$120	\$7	100%	
24	Fenestration - Window Retrofit	\$114	\$132	86%	\$132	\$18	100%	
25	Fenestration - Doors/Windows (One New - Framed)	\$212	\$189	112%	\$189	(\$23)	100%	[c]
26	Structural, Drywall	\$126	\$126	100%	\$126	(\$0)	100%	
27	Structural, Insulation, Drywall	\$184	\$184	100%	\$184	(\$0)	100%	
28	Lath	\$184	\$138	133%	\$138	(\$46)	100%	
29	Structural, Insulation, Lath	\$298	\$298	100%	\$298	(\$0)	100%	
30	Structural, Insulation, Shear, Lath	\$494	\$493	100%	\$493	(\$0)	100%	
31	Framing/Structural - 1 inspection	\$264	\$264	100%	\$264	(\$0)	100%	[a] [d]
32	Framing/Structural - 2 inspections	\$321	\$321	100%	\$321	(\$0)	100%	[a] [d]
33	Framing/Structural - 3 inspections	\$379	\$379	100%	\$379	(\$0)	100%	[a] [d]
34	Temporary Shade Structure (Commercial)	\$223	\$264	84%	\$264	\$41	100%	
35	Patio/Balcony Cover/Enclosure - Standard, Open, Pre-Engineered	\$177	\$184	96%	\$184	\$7	100%	
36	Patio/Balcony Cover/Enclosure - Standard, Enclosed, Pre-Engineered	\$269	\$275	98%	\$275	\$7	100%	
37	Patio/Balcony Cover/Enclosure - Site Specific Engineering	\$447	\$465	96%	\$465	\$18	100%	
38	Alteration - Residential (Res.) Kitchen	\$356	\$356	100%	\$356	(\$0)	100%	
39	Alteration - Res. Kitchen, plus HVAC OR Fenestration	\$413	\$413	100%	\$413	(\$0)	100%	
40	Alteration - Res. Kitchen, plus HVAC AND Fenestration/Other	\$471	\$470	100%	\$470	(\$0)	100%	
41	Alteration - Res. Kitchen, plus 1 Bath	\$413	\$413	100%	\$413	(\$0)	100%	
42	Alteration - Res. Kitchen, plus 2+ Bath (Includes bathroom splits)	\$471	\$470	100%	\$470	(\$0)	100%	
43	Alteration - Res. Kitchen, plus 1 Bath, plus HVAC OR Fenestration/Other	\$471	\$470	100%	\$470	(\$0)	100%	
44	Alteration - Res. Kitchen, plus 2+ Bath, plus HVAC OR Fenestration/Other	\$528	\$528	100%	\$528	(\$0)	100%	
45	Alteration - Res. Kitchen, plus 1 Bath, plus HVAC AND	\$528	\$528	100%	\$528	(\$0)	100%	
46	Alteration - Res. Kitchen, plus 2+ Bath, plus HVAC AND	\$585	\$585	100%	\$585	(\$0)	100%	
47	Alteration/Remodel - Res. 1 Bath	\$241	\$241	100%	\$241	(\$0)	100%	
48	Alteration/Remodel - Res. 2+ Baths (includes bathroom splits)	\$356	\$356	100%	\$356	(\$0)	100%	

City of Laguna Woods								
Working Version of the Schedule of Building Fees - Mechanical, Electrical, Plumbing, and Miscellaneous Items								
	Fee Description	Current Fee	Est. Cost of Service	Current Cost Recovery	Modified Fee Assuming Full or Targeted Cost Recovery [a]	Increase (Decrease) Amount	Modified Cost Recovery	Notes
49	Alteration - Res. 2+ Baths (incl. split), plus HVAC/Other	\$413	\$413	100%	\$413	(\$0)	100%	[e]
50	Room Addition	\$827	\$826	100%	\$826	(\$1)	100%	
51	Alteration/Remodel w/ Room Addition	\$1,171	\$1,170	100%	\$1,170	(\$1)	100%	
52	Sign (Wall) - First	\$154	\$161	96%	\$161	\$7	100%	
53	Sign (Wall) - Each Add'l	\$11	\$11	100%	\$11	(\$0)	100%	
54	Sign (Monument) - First	\$246	\$264	93%	\$264	\$18	100%	
55	Sign (Monument) - Each Add'l	\$23	\$23	100%	\$23	(\$0)	100%	
56	Antenna - Telecommunications	\$475	\$505	94%	\$505	\$29	100%	
57	Antenna - Equipment Shelter	\$211	\$241	88%	\$241	\$30	100%	
58	Solar - Residential Systems (Expedited Process)	\$211	\$229	92%	\$229	\$18	100%	
59	Solar - Residential Systems (All Others)	\$395	\$413	96%	\$413	\$18	100%	
60	Solar - Commercial Systems	\$1,000	\$1,170	85%	\$1,000	\$0	85%	
61	Demolition - Residential Interior	\$184	\$161	114%	\$161	(\$23)	100%	
62	Demolition - Residential (All Other)	\$85	\$92	93%	\$92	\$7	100%	
63	Demolition - Non-Residential	\$344	\$344	100%	\$344	(\$0)	100%	
64	Certificate of Occupancy - Temporary	\$85	\$85	100%	\$85	(\$0)	100%	
65	Certificate of Occupancy	\$257	\$257	100%	\$257	(\$0)	100%	
66	Miscellaneous/All Other - First Inspection	\$85	\$85	100%	\$85	(\$0)	100%	
67	Miscellaneous/All Other - Each Add'l Inspection	\$57	\$57	100%	\$57	(\$0)	100%	
68	Miscellaneous/All Other - Plan Check (Per Hr)	\$138	\$138	100%	\$138	(\$0)	100%	
69	Work Without Permit	\$165	\$184	90%	\$184	\$18	100%	
70	Re-Inspection - Missed Appointment	\$57	\$57	100%	\$57	(\$0)	100%	
71	Additional Inspections	\$85	\$85	100%	\$85	(\$0)	100%	
72	Replacement Job Card	\$34	\$28	125%	\$28	(\$7)	100%	
73	Cancelled Permit Refund Processing Fee	\$25	\$69	36%	\$25	\$0	36%	
74	State Energy Form Assistance (Upon Request) (Per Page)	\$4	\$34	12%	\$4	\$0	12%	
75	Building and Safety Appeal Application	\$138	\$138	100%	\$138	(\$0)	100%	
76	Alternate Materials Method Review (Per Hr)	\$138	\$138	100%	\$138	(\$0)	100%	
77	Inspection Outside of Normal Business Hours (Per Hr)	\$172	\$172	100%	\$172	(\$0)	100%	

Notes

[a] The City uses specialized service providers to process certain plan review and inspection activities. These specialized services include, but are not limited to, structural engineering review services and specialized inspection services. The modified fees are intended to reflect the estimated costs of all typical plan review and inspection services. However, for projects requiring the use of outside service providers, or projects that are more complex than typical, the City will collect fees that represent the actual costs incurred by the City.

[b] For purposes of calculating re-roof fees, fractional square footages shall be rounded up to the nearest 1,000 SF. For example 1,600 SF shall be rounded to 2,000 SF.

[c] For Installation of multiple doors or windows see Framing/Structural fees.

[d] Examples of items included in this fee include post, beam, beamtail, raftertail, corbel, shearpanel, and truss repair/replacement.

[e] Fee for ceiling scrapes, lead paint removal, floor removal, etc.

City of Laguna Woods								
Working Version of the Schedule of Building Fees								
New Construction and Non-Residential Tenant Improvements								
Construction Class		SqFt	Current Fee	Est. Cost of Svc	Current Cost Recovery	Modified Fee Assuming Full or Targeted Cost Recovery [a]	Increase (Decrease) Amount	Modified Cost Recovery
1	Shell Building New Construction	500	\$2,066	\$2,065	100%	\$2,065	-\$2	100%
		2,000	\$3,100	\$3,097	100%	\$3,097	-\$2	100%
		5,000	\$4,133	\$4,129	100%	\$4,129	-\$3	100%
		10,000	\$5,166	\$5,162	100%	\$5,162	-\$4	100%
		20,000	\$6,888	\$6,882	100%	\$6,882	-\$5	100%
		> 20,000	varies	varies		deposit		
2	Accessory/Utility (e.g. Private garage, gatehouse) New Construction	100	\$689	\$688	100%	\$688	-\$1	100%
		250	\$1,033	\$1,032	100%	\$1,032	-\$1	100%
		500	\$1,378	\$1,376	100%	\$1,376	-\$1	100%
		1,000	\$1,722	\$1,721	100%	\$1,721	-\$1	100%
		2,500	\$2,204	\$2,202	100%	\$2,202	-\$2	100%
		> 2,500	varies	varies		deposit		
3	All Other New Construction	500	\$3,306	\$3,304	100%	\$3,304	-\$3	100%
		2,000	\$4,959	\$4,955	100%	\$4,955	-\$4	100%
		5,000	\$6,612	\$6,607	100%	\$6,607	-\$5	100%
		10,000	\$8,265	\$8,259	100%	\$8,259	-\$6	100%
		20,000	\$11,021	\$11,012	100%	\$11,012	-\$9	100%
		> 20,000	varies	varies		deposit		
4	Tenant Improvements New Construction	250	\$551	\$551	100%	\$551	\$0	100%
		500	\$827	\$826	100%	\$826	-\$1	100%
		1,000	\$1,102	\$1,101	100%	\$1,101	-\$1	100%
		2,500	\$1,378	\$1,376	100%	\$1,376	-\$1	100%
		5,000	\$1,825	\$1,824	100%	\$1,824	-\$1	100%
		> 5,000	varies	varies		deposit		

Notes

[a] The City uses specialized service providers to process certain plan review and inspection activities. These specialized services include, but are not limited to, structural engineering review services and specialized inspection services. The proposed fees are intended to reflect the estimated costs of all typical plan review and inspection services. However, for projects requiring the use of outside service providers, or projects that are more complex than typical, the City will collect fees that represent the actual costs incurred by the City.

City of Laguna Woods
Working Version of the Schedule of Planning Fees

	Fee Description	Current Fee	Est. Cost of Service	Current Cost Recovery	Modified Fee Assuming Full or Targeted Cost Recovery	Increase (Decrease) Amount	Modified Cost Recovery	Notes
	Fixed Fee Services							
1	Community Facilities Yearly Sign Permit	\$74	\$71	104%	\$71	(\$3)	100%	
2	Film Permit	\$592	\$568	104%	\$568	(\$24)	100%	[a]
3	Med. Marijuana Dispensary Permit - Renewal	\$1,850		n/a	\$1,850	\$0		
4	New Address Est. / Address Change Request	n/a	\$355	n/a	\$355		100%	
5	Notice of Exemption	\$296	\$284	104%	\$284	(\$12)	100%	[b]
6	Outdoor Seating Permit	\$370	\$355	104%	\$355	(\$15)	100%	
7	Sign Permit - Part of Sign Program	\$74	\$71	104%	\$71	(\$3)	100%	
8	Sign Permit - Permanent	\$296	\$284	104%	\$284	(\$12)	100%	
9	Sign Permit - Temporary	\$74	\$71	104%	\$71	(\$3)	100%	
10	Special Event Permit	\$296	\$284	104%	\$284	(\$12)	100%	
11	Temporary Use Permit	\$592	\$568	104%	\$568	(\$24)	100%	
12	Tree Removal Permit	\$222	\$213	104%	\$213	(\$9)	100%	
13	Wireless Use Permit Filing Fee	n/a	\$1,633	n/a	\$1,633		100%	[c]
14	Eligible Facility Request Permit Filing Fee	n/a	\$1,207	n/a	\$1,207		100%	
15	Eligible Facility Request Permit Pre-Submittal Meeting	n/a	\$284	n/a	\$284		100%	
16	Zoning Letter	\$185	\$178	104%	\$178	(\$8)	100%	
17	Appeal (City Council)	\$500	\$2,059	24%	\$500	\$0	24%	

	Fee Description	Current Initial Deposit	Est. Cost of Service	Current Cost Recovery	Modified Deposit [d]	Increase (Decrease)	Modified Cost Recovery	Notes
	Deposit-Based Fee Services							
18	Change Plan	\$2,000	\$2,272	varies	\$2,000	\$0	100%	
19	Conditional Use Permit	\$4,000	\$4,083	100%	\$4,000	\$0	100%	
20	Development Agreement	\$10,000	\$18,957	100%	\$10,000	\$0	100%	
21	Environmental Impact Report	\$10,000	varies	100%	\$10,000	\$0	100%	
22	General Plan Amendment	\$10,000	\$18,673	100%	\$10,000	\$0	100%	
23	Zoning Code Amendment	\$10,000	\$18,673	100%	\$10,000	\$0		
24	Initial Study/Neg. Dec./Mitigated Neg Dec.	\$5,000	varies	100%	\$5,000	\$0		
25	Med. Marijuana Dispensary Permit - Initial	\$4,000		100%	\$4,000	\$0	100%	
26	Sign Program	\$2,500	\$2,698	100%	\$2,500	\$0	100%	
27	Site Development Permit	\$4,000	\$3,976	100%	\$4,000	\$0	100%	
28	Specific Plan	\$10,000	\$18,957	100%	\$10,000	\$0	100%	
29	Variance	\$3,500	\$3,550	100%	\$3,500	\$0	100%	
30	Zone Change	\$10,000	\$16,543	100%	\$10,000	\$0	100%	
31	Other Services Not Identified	varies	varies	100%	varies			

Notes

[a] Film permit fee applies for major filming (production).

[b] A pass-through of any County filing fees will also be collected from the applicant.

[c] A pass-through of any noticing fees will also be collected from the applicant (e.g. mailing costs, newspaper publication).

[d] For deposit-based fees, the City intends to recover 100% of the costs of service including the actual costs of any contract service providers and internal City support.

City of Laguna Woods

Working Version of the Schedule of Encroachment Permit Fees

Fee Description		Current Fee	Est. Cost of Service	Modified Fee Assuming Full Cost Recovery	Unit	Increase (Decrease) Amount	Modified Cost Recovery	Notes
Minor Projects								
1	Landscape Maintenance	varies	\$248	\$248	flat		100%	
2	Temporary Staging	varies	\$248	\$248	flat		100%	
3	Traffic Control Only	varies	\$330	\$330	flat		100%	
4	Utilities Structure Inspection	varies	\$413	\$413	flat		100%	
5	Pole Replacement	varies	\$413	\$413	flat		100%	
Major Projects								
6	Major Project							[a]
	a) First Day	varies	\$660	\$660	flat		100%	
	b) Each Additional Day	varies	\$248	\$248	per day		100%	
7	Projects Greater Than Two Weeks in Duration	varies	varies	\$3,000	deposit			

Notes

[a] Major Projects include ground disturbing activities, projects lasting longer than three days, or projects that require permanent traffic control for the duration of the project (e.g. excavation, trenching, boring, etc.).

* The City Manager may waive encroachment permit fees for activities associated with City projects or contracts.

Master Fee Schedule

City of Laguna Woods			
Schedule of Building Fees - Mechanical, Electrical, Plumbing, and Miscellaneous Items			
Fee Description		[a] Fee Assuming Full or Targeted Cost Recovery	Notes
1	Water Heater Change Out	\$85	
2	Water Heater Relocation	\$149	
3	Dishwasher Change Out	\$85	
4	Tub to Tub Insert Only	\$161	
5	Tub to Tub Tile Back Only	\$218	
6	Shower to Shower Insert Only	\$161	
7	Shower to Shower Tile Only	\$275	
8	Tub to Shower Only	\$275	
9	Water/Drain Line (Install/Alter/Repair) w/out Structural	\$85	
10	Water/Drain Line (Install/Alter/Repair) with Structural	\$218	
11	Line Repair (CIPP)/Svc Install - First 30 LF	\$92	
12	Line Repair (CIPP)/Svc Install - Each Add'l 30 LF	\$57	
13	New HVAC / HVAC Change Out (Central System) - Residential	\$161	
14	New HVAC / HVAC Change Out (All Others) - Residential	\$85	
15	Electrical - Fixtures and Receptacles	\$92	
16	Washer/Dryer Hook Up	\$114	
17	Electrical Wheelchair Lift	\$447	
18	Re-Roof (Tile, Single-Ply) - First 1,000 SF	\$142	[b]
19	Re-Roof (Tile, Single-Ply) - Each Add'l 1,000 SF	\$28	[b]
20	Re-Roof (All Other) - First 1,000 SF	\$172	[b]
21	Re-Roof (All Other) - Each Add'l 5,000 SF	\$28	[b]
22	Fenestration - Skylights/Solartubes (1 Hr. Buildings)	\$161	
23	Fenestration - Skylights/Solartubes (All Others)	\$120	
24	Fenestration - Window Retrofit	\$132	
25	Fenestration - Doors/Windows (One New - Framed)	\$189	[c]
26	Structural, Drywall	\$126	
27	Structural, Insulation, Drywall	\$184	
28	Lath	\$138	
29	Structural, Insulation, Lath	\$298	
30	Structural, Insulation, Shear, Lath	\$493	
31	Framing/Structural - 1 inspection	\$264	[d]
32	Framing/Structural - 2 inspections	\$321	[d]
33	Framing/Structural - 3 inspections	\$379	[d]
34	Temporary Shade Structure (Commercial)	\$264	
35	Patio/Balcony Cover/Enclosure - Standard, Open, Pre-Engineered	\$184	
36	Patio/Balcony Cover/Enclosure - Standard, Enclosed, Pre-Engineered	\$275	
37	Patio/Balcony Cover/Enclosure - Site Specific Engineering	\$465	
38	Alteration - Residential (Res.) Kitchen	\$356	

City of Laguna Woods			
Schedule of Building Fees - Mechanical, Electrical, Plumbing, and Miscellaneous Items			
Fee Description		[a] Fee Assuming Full or Targeted Cost Recovery	Notes
39	Alteration - Res. Kitchen, plus HVAC OR Fenestration	\$413	[e]
40	Alteration - Res. Kitchen, plus HVAC AND Fenestration/Other	\$470	
41	Alteration - Res. Kitchen, plus 1 Bath	\$413	
42	Alteration - Res. Kitchen, plus 2+ Bath (Includes bathroom splits)	\$470	
43	Alteration - Res. Kitchen, plus 1 Bath, plus HVAC OR Fenestration/Other	\$470	
44	Alteration - Res. Kitchen, plus 2+ Bath, plus HVAC OR Fenestration/Other	\$528	
45	Alteration - Res. Kitchen, plus 1 Bath, plus HVAC AND Fenestration/Other	\$528	
46	Alteration - Res. Kitchen, plus 2+ Bath, plus HVAC AND Fenestration/Other	\$585	
47	Alteration/Remodel - Res. 1 Bath	\$241	
48	Alteration/Remodel - Res. 2+ Baths (includes bathroom splits)	\$356	
49	Alteration - Res. 2+ Baths (incl. split), plus HVAC/Other	\$413	
50	Room Addition	\$826	
51	Alteration/Remodel w/ Room Addition	\$1,170	
52	Sign (Wall) - First	\$161	
53	Sign (Wall) - Each Add'l	\$11	
54	Sign (Monument) - First	\$264	
55	Sign (Monument) - Each Add'l	\$23	
56	Antenna - Telecommunications	\$505	
57	Antenna - Equipment Shelter	\$241	
58	Solar - Residential Systems (Expedited Process)	\$229	
59	Solar - Residential Systems (All Others)	\$413	
60	Solar - Commercial Systems	\$1,000	
61	Demolition - Residential Interior	\$161	
62	Demolition - Residential (All Other)	\$92	
63	Demolition - Non-Residential	\$344	
64	Certificate of Occupancy - Temporary	\$85	
65	Certificate of Occupancy	\$257	
66	Miscellaneous/All Other - First Inspection	\$85	
67	Miscellaneous/All Other - Each Add'l Inspection	\$57	
68	Miscellaneous/All Other - Plan Check (Per Hr)	\$138	
69	Work Without Permit	\$184	
70	Re-Inspection - Missed Appointment	\$57	
71	Additional Inspections	\$85	
72	Replacement Job Card	\$28	
73	Cancelled Permit Refund Processing Fee	\$25	
74	State Energy Form Assistance (Upon Request) (Per Page)	\$4	
75	Building and Safety Appeal Application	\$138	
76	Alternate Materials Method Review (Per Hr)	\$138	
77	Inspection Outside of Normal Business Hours (Per Hr)	\$172	

City of Laguna Woods		
Schedule of Building Fees - Mechanical, Electrical, Plumbing, and Miscellaneous Items		
Fee Description	[a] Fee Assuming Full or Targeted Cost Recovery	Notes

Notes

[a] The City uses specialized service providers to process certain plan review and inspection activities. These specialized services include, but are not limited to, structural engineering review services and specialized inspection services. The proposed fees are intended to reflect the estimated costs of all typical plan review and inspection services. However, for projects requiring the use of outside service providers, or projects that are more complex than typical, the City will collect fees that represent the actual costs incurred by the City.

[b] For purposes of calculating re-roof fees, fractional square footages shall be rounded up to the nearest 1,000 SF. For example 1,600 SF shall be rounded to 2,000 SF.

[c] For Installation of multiple doors or windows see Framing/Structural fees.

[d] Examples of items included in this fee include post, beam, beamtail, raftertail, corbel, shearpanel, and truss repair/replacement.

[e] Fee for ceiling scrapes, lead paint removal, floor removal, etc.

City of Laguna Woods

Schedule of Building Fees - New Construction and Non-Residential Tenant Improvements

			Plan Check [a]		Permit [a]		Total [a]	
Description		Project Size Threshold	Assuming Full or Targeted Cost Recovery	Fee Per Add'l 100 SF	Assuming Full or Targeted Cost Recovery	Fee Per Add'l 100 SF	Assuming Full or Targeted Cost Recovery	Fee Per Add'l 100 SF
1	Shell Building New Construction	500	\$1,032	\$24.09	\$1,032	\$44.74	\$2,065	\$68.82
		2,000	\$1,394	\$15.49	\$1,703	\$18.93	\$3,097	\$34.41
		5,000	\$1,858	\$9.29	\$2,271	\$11.36	\$4,129	\$20.65
		10,000	\$2,323	\$4.30	\$2,839	\$12.90	\$5,162	\$17.21
		20,000	\$2,753	varies	\$4,129	varies	\$6,882	varies
		> 20,000	varies		varies		varies	
2	Accessory/Utility (e.g. Private garage, gatehouse) New Construction	100	\$241	\$80.30	\$447	\$149.12	\$688	\$229.42
		250	\$361	\$48.18	\$671	\$89.47	\$1,032	\$137.65
		500	\$482	\$24.09	\$895	\$44.74	\$1,376	\$68.82
		1,000	\$602	\$11.24	\$1,118	\$20.88	\$1,721	\$32.12
		2,500	\$771	varies	\$1,432	varies	\$2,202	varies
		> 2,500	varies		varies		varies	
3	All Other New Construction	500	\$1,652	\$38.54	\$1,652	\$71.58	\$3,304	\$110.12
		2,000	\$2,230	\$24.78	\$2,725	\$30.28	\$4,955	\$55.06
		5,000	\$2,973	\$14.87	\$3,634	\$18.17	\$6,607	\$33.04
		10,000	\$3,717	\$6.88	\$4,542	\$20.65	\$8,259	\$27.53
		20,000	\$4,405	varies	\$6,607	varies	\$11,012	varies
		> 20,000	varies		varies		varies	
4	Tenant Improvements New Construction	250	\$193	\$38.54	\$358	\$71.58	\$551	\$110.12
		500	\$289	\$19.27	\$537	\$35.79	\$826	\$55.06
		1,000	\$385	\$6.42	\$716	\$11.93	\$1,101	\$18.35
		2,500	\$482	\$6.26	\$895	\$11.63	\$1,376	\$17.89
		5,000	\$638	varies	\$1,186	varies	\$1,824	varies
		> 5,000	varies		varies		varies	

[a] The City uses specialized service providers to process certain plan review and inspection activities. These specialized services include, but are not limited to, structural engineering review services and specialized inspection services. The proposed fees are intended to reflect the estimated costs of all typical plan review and inspection services. However, for projects requiring the use of outside service providers, or projects that are more complex than typical, the City will collect fees that represent the actual costs incurred by the City.

City of Laguna Woods			
Schedule of Building Fees			
Fee Description		Fee *	Notes
	Strong Motion Instrumentation Program (SMIP)		[a]
	Fee Calculation		
1	Residential (1-3 Story)	\$0.50 or valuation x 0.00013	
2	Commercial or Residential (4+ Story)	\$0.50 or valuation x 0.00028	
	Building Standards Administration Special Revolving Fund (SB 1473) Fee Calculation		[b]
3	Valuation:		
	a) \$1 - \$25,000	\$1	
	b) \$25,001 - \$50,000	\$2	
	c) \$50,001 - \$75,000	\$3	
	d) \$75,001 - \$100,000	\$4	
	e) Every \$25,000 or fraction thereof above \$100,000	Add \$1	

Notes

[a] Source: California Public Resources Code Section 2705

[b] Source: California Health and Safety Code Section 18931.6

* Project valuation shall be determined by project amount submitted by permit applicant, or most current International Code Council (ICC) published Building Valuation Table as published in the Building Safety Journal, or by RS Means Square Foot Costs Manual, where ICC data is not available.

City of Laguna Woods			
Schedule of Planning Fees			
Fee Description		Fee Assuming Full or Targeted Cost Recovery	Notes
	Fixed Fee Services		
1	Community Facilities Yearly Sign Permit	\$71	
2	Film Permit	\$568	[a]
3	Med. Marijuana Dispensary Permit - Renewal	\$1,850	
4	New Address Est. / Address Change Request	\$355	
5	Notice of Exemption	\$284	[b]
6	Outdoor Seating Permit	\$355	
7	Sign Permit - Part of Sign Program	\$71	
8	Sign Permit - Permanent	\$284	
9	Sign Permit - Temporary	\$71	
10	Special Event Permit	\$284	
11	Temporary Use Permit	\$568	
12	Tree Removal Permit	\$213	
13	Wireless Use Permit Filing Fee	\$1,633	[c]
14	Eligible Facility Request Permit Filing Fee	\$1,207	
15	Eligible Facility Request Permit Pre-Submittal Meeting	\$284	
16	Zoning Letter	\$178	
17	Appeal (City Council)	\$500	

Fee Description		Initial Deposit	Notes
	Deposit-Based Fee Services		[d]
18	Change Plan	\$2,000	
19	Conditional Use Permit	\$4,000	
20	Development Agreement	\$10,000	
21	Environmental Impact Report	\$10,000	
22	General Plan Amendment	\$10,000	
23	Zoning Code Amendment	\$10,000	
24	Initial Study/Neg. Dec./Mitigated Neg Dec.	\$5,000	
25	Med. Marijuana Dispensary Permit - Initial	\$4,000	
26	Sign Program	\$2,500	
27	Site Development Permit	\$4,000	
28	Specific Plan	\$10,000	
29	Variance	\$3,500	
30	Zone Change	\$10,000	
31	Other Services Not Identified	varies	

Notes

[a] Film permit fee applies for major filming (production).

[b] A pass-through of any County filing fees will also be collected from the applicant.

[c] A pass-through of any noticing fees will also be collected from the applicant (e.g. mailing costs, newspaper publication).

[d] For deposit-based fees, the City intends to recover 100% of the costs of service including the actual costs of any contract service providers and internal City support.

City of Laguna Woods				
Schedule of Encroachment Permit Fees				
Fee Description		Fee Assuming Full Cost Recovery	Unit	Notes
	Minor Projects			
1	Landscape Maintenance	\$248	flat	[a]
2	Temporary Staging	\$248	flat	
3	Traffic Control Only	\$330	flat	
4	Utilities Structure Inspection	\$413	flat	
5	Pole Replacement	\$413	flat	
	Major Projects			
6	Major Project			
	a) First Day	\$660	flat	
	b) Each Additional Day	\$248	per day	
7	Projects Greater Than Two Weeks in Duration	\$3,000	deposit	
For service requests, which have no fees listed in this Master Fee Schedule, the City Manager or his/her designee shall determine the appropriate fee based on the following hourly rates for staff time involved in the service or activity.				
Fee Description		Fee	Unit	Notes
8	City Engineer	\$165	per hour	
9	Other Staff/Outside Service Providers	100%	of actual costs, plus admin rate	

Notes

[a] Major Projects include ground disturbing activities, projects lasting longer than three days, or projects that require permanent traffic control for the duration of the project (e.g. excavation, trenching, boring, etc.).

* The City Manager may waive encroachment permit fees for activities associated with City projects or contracts.

RESOLUTION NO. 17-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, ADOPTING NEW AND INCREASED OR MODIFIED BUILDING AND PLANNING SERVICES FEES, AND ENCROACHMENT PERMIT FEES

WHEREAS, pursuant to applicable California law, cities may charge rates or fees that are equal to or less than the reasonably anticipated costs of providing the service, conferring a benefit, granting a privilege, performing regulatory duties, enforcing laws, or as a condition of property development; and

WHEREAS, the City of Laguna Woods retained a qualified consultant to prepare a Building, Planning, and Encroachment Permit Fee Study and Central Services Cost Allocation Study upon which to base fee calculations. Both studies are now complete, and such studies were presented to the City Council and public at the regular meeting on April 19, 2017; and

WHEREAS, the City Council conducted a duly noticed public hearing at its regular meeting on April 19, 2017 regarding the proposed adoption of new and increased or modified building, planning, and encroachment permit fees; and

WHEREAS, public noticing for the aforementioned public hearing included publication in the *Laguna Woods Globe*, posting at City Hall, and transmittal to those requesting such notification pursuant to Government Code Section 66016; and

WHEREAS, the building, planning, and encroachment permit fee schedule attached hereto as Exhibit A, the Building, Planning, and Encroachment Permit Fee Study, and the Central Services Cost Allocation Study were made available to the public at or from Laguna Woods City Hall and on the City's website beginning on April 3, 2017; and

WHEREAS, after consideration of the information provided by City staff, the information contained in the Building, Planning, and Encroachment Permit Fee Study and the Central Services Cost Allocation Study, and all public comments and testimony received, the City Council finds that it is in the best interest of the City to adopt new and increase or modify fees for building and planning services, and encroachment permitting.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The building, planning, and encroachment permit fee schedule attached hereto as Exhibit A is hereby adopted to be effective beginning on June 19, 2017. In adopting such fees, the City Council finds that the amount of the fees do not exceed the reasonable cost of providing the services for which the fees are charged, and relies in part on the Building, Planning, and Encroachment Permit Fee Study and the Central Services Cost Allocation Study in making such findings.

SECTION 2. Upon the effective date of the building, planning, and encroachment permit fee schedule attached hereto as Exhibit A, all previous building, planning, and encroachment permit fees adopted by resolution of the City Council shall be repealed.

SECTION 3. Resolution No. 17-05, which adopted previous versions of many of the building, planning, and encroachment permit fees contained herein is hereby repealed.

SECTION 4. The action set forth in this resolution is not a project under the requirements of the California Environmental Quality Act (CEQA), pursuant to sections 15061(b)(3) and 15273 of the CEQA Guidelines.

SECTION 5. This resolution is not intended to and does not address the potential establishment, location, or operation of medical marijuana dispensaries within the city limits of Laguna Woods. Adoption of this resolution shall not terminate or otherwise impact the moratorium to suspend the allowance of medical marijuana dispensaries, and any establishment, location, or operation of any such facility, in order to undertake further investigation and study various issues relating to the potential siting and operation of a medical marijuana dispensary within the city limits of Laguna Woods established and extended by Ordinances No. 15-03, 15-05 and 16-02.

SECTION 6. The Deputy City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED AND ADOPTED on this XX day of XX 2017.

SHARI L. HORNE, Mayor

ATTEST:

YOLIE TRIPPY, Deputy City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF LAGUNA WOODS)

I, YOLIE TRIPPY, Deputy City Clerk of the City of Laguna Woods, do
HEREBY CERTIFY that the foregoing **Resolution No. 17-XX** was duly adopted by
the City Council of the City of Laguna Woods at a regular meeting thereof, held on
the XX day of XX 2017, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

YOLIE TRIPPY, Deputy City Clerk

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City of Laguna Woods

Schedule of Building Fees - Mechanical, Electrical, Plumbing, and Miscellaneous Items

Fee Description		[a] Fee Assuming Full or Targeted Cost Recovery	Notes
1	Water Heater Change Out	\$85	
2	Water Heater Relocation	\$149	
3	Dishwasher Change Out	\$85	
4	Tub to Tub Insert Only	\$161	
5	Tub to Tub Tile Back Only	\$218	
6	Shower to Shower Insert Only	\$161	
7	Shower to Shower Tile Only	\$275	
8	Tub to Shower Only	\$275	
9	Water/Drain Line (Install/Alter/Repair) w/out Structural	\$85	
10	Water/Drain Line (Install/Alter/Repair) with Structural	\$218	
11	Line Repair (CIPP)/Svc Install - First 30 LF	\$92	
12	Line Repair (CIPP)/Svc Install - Each Add'l 30 LF	\$57	
13	New HVAC / HVAC Change Out (Central System) - Residential	\$161	
14	New HVAC / HVAC Change Out (All Others) - Residential	\$85	
15	Electrical - Fixtures and Receptacles	\$92	
16	Washer/Dryer Hook Up	\$114	
17	Electrical Wheelchair Lift	\$447	
18	Re-Roof (Tile, Single-Ply) - First 1,000 SF	\$142	[b]
19	Re-Roof (Tile, Single-Ply) - Each Add'l 1,000 SF	\$28	[b]
20	Re-Roof (All Other) - First 1,000 SF	\$172	[b]
21	Re-Roof (All Other) - Each Add'l 5,000 SF	\$28	[b]
22	Fenestration - Skylights/Solartubes (1 Hr. Buildings)	\$161	
23	Fenestration - Skylights/Solartubes (All Others)	\$120	
24	Fenestration - Window Retrofit	\$132	
25	Fenestration - Doors/Windows (One New - Framed)	\$189	[c]
26	Structural, Drywall	\$126	
27	Structural, Insulation, Drywall	\$184	
28	Lath	\$138	
29	Structural, Insulation, Lath	\$298	
30	Structural, Insulation, Shear, Lath	\$493	
31	Framing/Structural - 1 inspection	\$264	[d]
32	Framing/Structural - 2 inspections	\$321	[d]
33	Framing/Structural - 3 inspections	\$379	[d]
34	Temporary Shade Structure (Commercial)	\$264	
35	Patio/Balcony Cover/Enclosure - Standard, Open, Pre-Engineered	\$184	
36	Patio/Balcony Cover/Enclosure - Standard, Enclosed, Pre-Engineered	\$275	
37	Patio/Balcony Cover/Enclosure - Site Specific Engineering	\$465	
38	Alteration - Residential (Res.) Kitchen	\$356	

City of Laguna Woods

Schedule of Building Fees - Mechanical, Electrical, Plumbing, and Miscellaneous Items

Fee Description		[a] Fee Assuming Full or Targeted Cost Recovery	Notes
39	Alteration - Res. Kitchen, plus HVAC OR Fenestration	\$413	[e]
40	Alteration - Res. Kitchen, plus HVAC AND Fenestration/Other	\$470	
41	Alteration - Res. Kitchen, plus 1 Bath	\$413	
42	Alteration - Res. Kitchen, plus 2+ Bath (Includes bathroom splits)	\$470	
43	Alteration - Res. Kitchen, plus 1 Bath, plus HVAC OR Fenestration/Other	\$470	
44	Alteration - Res. Kitchen, plus 2+ Bath, plus HVAC OR Fenestration/Other	\$528	
45	Alteration - Res. Kitchen, plus 1 Bath, plus HVAC AND Fenestration/Other	\$528	
46	Alteration - Res. Kitchen, plus 2+ Bath, plus HVAC AND Fenestration/Other	\$585	
47	Alteration/Remodel - Res. 1 Bath	\$241	
48	Alteration/Remodel - Res. 2+ Baths (includes bathroom splits)	\$356	
49	Alteration - Res. 2+ Baths (incl. split), plus HVAC/Other	\$413	
50	Room Addition	\$826	
51	Alteration/Remodel w/ Room Addition	\$1,170	
52	Sign (Wall) - First	\$161	
53	Sign (Wall) - Each Add'l	\$11	
54	Sign (Monument) - First	\$264	
55	Sign (Monument) - Each Add'l	\$23	
56	Antenna - Telecommunications	\$505	
57	Antenna - Equipment Shelter	\$241	
58	Solar - Residential Systems (Expedited Process)	\$229	
59	Solar - Residential Systems (All Others)	\$413	
60	Solar - Commercial Systems	\$1,000	
61	Demolition - Residential Interior	\$161	
62	Demolition - Residential (All Other)	\$92	
63	Demolition - Non-Residential	\$344	
64	Certificate of Occupancy - Temporary	\$85	
65	Certificate of Occupancy	\$257	
66	Miscellaneous/All Other - First Inspection	\$85	
67	Miscellaneous/All Other - Each Add'l Inspection	\$57	
68	Miscellaneous/All Other - Plan Check (Per Hr)	\$138	
69	Work Without Permit	\$184	
70	Re-Inspection - Missed Appointment	\$57	
71	Additional Inspections	\$85	
72	Replacement Job Card	\$28	
73	Cancelled Permit Refund Processing Fee	\$25	
74	State Energy Form Assistance (Upon Request) (Per Page)	\$4	
75	Building and Safety Appeal Application	\$138	
76	Alternate Materials Method Review (Per Hr)	\$138	
77	Inspection Outside of Normal Business Hours (Per Hr)	\$172	

City of Laguna Woods		
Schedule of Building Fees - Mechanical, Electrical, Plumbing, and Miscellaneous Items		
Fee Description	[a] Fee Assuming Full or Targeted Cost Recovery	Notes

Notes

[a] The City uses specialized service providers to process certain plan review and inspection activities. These specialized services include, but are not limited to, structural engineering review services and specialized inspection services. The proposed fees are intended to reflect the estimated costs of all typical plan review and inspection services. However, for projects requiring the use of outside service providers, or projects that are more complex than typical, the City will collect fees that represent the actual costs incurred by the City.

[b] For purposes of calculating re-roof fees, fractional square footages shall be rounded up to the nearest 1,000 SF. For example 1,600 SF shall be rounded to 2,000 SF.

[c] For Installation of multiple doors or windows see Framing/Structural fees.

[d] Examples of items included in this fee include post, beam, beamtail, raftertail, corbel, shearpanel, and truss repair/replacement.

[e] Fee for ceiling scrapes, lead paint removal, floor removal, etc.

City of Laguna Woods

Schedule of Building Fees - New Construction and Non-Residential Tenant Improvements

			Plan Check [a]		Permit [a]		Total [a]	
Description		Project Size Threshold	Assuming Full or Targeted Cost Recovery	Fee Per Add'l 100 SF	Assuming Full or Targeted Cost Recovery	Fee Per Add'l 100 SF	Assuming Full or Targeted Cost Recovery	Fee Per Add'l 100 SF
1	Shell Building New Construction	500	\$1,032	\$24.09	\$1,032	\$44.74	\$2,065	\$68.82
		2,000	\$1,394	\$15.49	\$1,703	\$18.93	\$3,097	\$34.41
		5,000	\$1,858	\$9.29	\$2,271	\$11.36	\$4,129	\$20.65
		10,000	\$2,323	\$4.30	\$2,839	\$12.90	\$5,162	\$17.21
		20,000	\$2,753	varies	\$4,129	varies	\$6,882	varies
		> 20,000	varies		varies		varies	
2	Accessory/Utility (e.g. Private garage, gatehouse) New Construction	100	\$241	\$80.30	\$447	\$149.12	\$688	\$229.42
		250	\$361	\$48.18	\$671	\$89.47	\$1,032	\$137.65
		500	\$482	\$24.09	\$895	\$44.74	\$1,376	\$68.82
		1,000	\$602	\$11.24	\$1,118	\$20.88	\$1,721	\$32.12
		2,500	\$771	varies	\$1,432	varies	\$2,202	varies
		> 2,500	varies		varies		varies	
3	All Other New Construction	500	\$1,652	\$38.54	\$1,652	\$71.58	\$3,304	\$110.12
		2,000	\$2,230	\$24.78	\$2,725	\$30.28	\$4,955	\$55.06
		5,000	\$2,973	\$14.87	\$3,634	\$18.17	\$6,607	\$33.04
		10,000	\$3,717	\$6.88	\$4,542	\$20.65	\$8,259	\$27.53
		20,000	\$4,405	varies	\$6,607	varies	\$11,012	varies
		> 20,000	varies		varies		varies	
4	Tenant Improvements New Construction	250	\$193	\$38.54	\$358	\$71.58	\$551	\$110.12
		500	\$289	\$19.27	\$537	\$35.79	\$826	\$55.06
		1,000	\$385	\$6.42	\$716	\$11.93	\$1,101	\$18.35
		2,500	\$482	\$6.26	\$895	\$11.63	\$1,376	\$17.89
		5,000	\$638	varies	\$1,186	varies	\$1,824	varies
		> 5,000	varies		varies		varies	

[a] The City uses specialized service providers to process certain plan review and inspection activities. These specialized services include, but are not limited to, structural engineering review services and specialized inspection services. The proposed fees are intended to reflect the estimated costs of all typical plan review and inspection services. However, for projects requiring the use of outside service providers, or projects that are more complex than typical, the City will collect fees that represent the actual costs incurred by the City.

City of Laguna Woods			
Schedule of Building Fees			
Fee Description		Fee *	Notes
	Strong Motion Instrumentation Program (SMIP)		[a]
	Fee Calculation		
1	Residential (1-3 Story)	\$0.50 or valuation x 0.00013	
2	Commercial or Residential (4+ Story)	\$0.50 or valuation x 0.00028	
	Building Standards Administration Special Revolving Fund (SB 1473) Fee Calculation		[b]
3	Valuation:		
	a) \$1 - \$25,000	\$1	
	b) \$25,001 - \$50,000	\$2	
	c) \$50,001 - \$75,000	\$3	
	d) \$75,001 - \$100,000	\$4	
	e) Every \$25,000 or fraction thereof above \$100,000	Add \$1	

Notes

[a] Source: California Public Resources Code Section 2705

[b] Source: California Health and Safety Code Section 18931.6

* Project valuation shall be determined by project amount submitted by permit applicant, or most current International Code Council (ICC) published Building Valuation Table as published in the Building Safety Journal, or by RS Means Square Foot Costs Manual, where ICC data is not available.

City of Laguna Woods

Schedule of Planning Fees

Fee Description		Fee Assuming Full or Targeted Cost Recovery	Notes
Fixed Fee Services			
1	Community Facilities Yearly Sign Permit	\$71	
2	Film Permit	\$568	[a]
3	Med. Marijuana Dispensary Permit - Renewal	\$1,850	
4	New Address Est. / Address Change Request	\$355	
5	Notice of Exemption	\$284	[b]
6	Outdoor Seating Permit	\$355	
7	Sign Permit - Part of Sign Program	\$71	
8	Sign Permit - Permanent	\$284	
9	Sign Permit - Temporary	\$71	
10	Special Event Permit	\$284	
11	Temporary Use Permit	\$568	
12	Tree Removal Permit	\$213	
13	Wireless Use Permit Filing Fee	\$1,633	[c]
14	Eligible Facility Request Permit Filing Fee	\$1,207	
15	Eligible Facility Request Permit Pre-Submittal Meeting	\$284	
16	Zoning Letter	\$178	
17	Appeal (City Council)	\$500	

Fee Description		Initial Deposit	Notes
Deposit-Based Fee Services			[d]
18	Change Plan	\$2,000	
19	Conditional Use Permit	\$4,000	
20	Development Agreement	\$10,000	
21	Environmental Impact Report	\$10,000	
22	General Plan Amendment	\$10,000	
23	Zoning Code Amendment	\$10,000	
24	Initial Study/Neg. Dec./Mitigated Neg Dec.	\$5,000	
25	Med. Marijuana Dispensary Permit - Initial	\$4,000	
26	Sign Program	\$2,500	
27	Site Development Permit	\$4,000	
28	Specific Plan	\$10,000	
29	Variance	\$3,500	
30	Zone Change	\$10,000	
31	Other Services Not Identified	varies	

Notes

[a] Film permit fee applies for major filming (production).

[b] A pass-through of any County filing fees will also be collected from the applicant.

[c] A pass-through of any noticing fees will also be collected from the applicant (e.g. mailing costs, newspaper publication).

[d] For deposit-based fees, the City intends to recover 100% of the costs of service including the actual costs of any contract service providers and internal City support.

City of Laguna Woods				
Schedule of Encroachment Permit Fees				
Fee Description		Fee Assuming Full Cost Recovery	Unit	Notes
1 2 3 4 5	Minor Projects			
	Landscape Maintenance	\$248	flat	
	Temporary Staging	\$248	flat	
	Traffic Control Only	\$330	flat	
	Utilities Structure Inspection	\$413	flat	
6 a) b)	Major Projects			
	Major Project			[a]
	a) First Day	\$660	flat	
	b) Each Additional Day	\$248	per day	
7	Projects Greater Than Two Weeks in Duration	\$3,000	deposit	
For service requests, which have no fees listed in this Master Fee Schedule, the City Manager or his/her designee shall determine the appropriate fee based on the following hourly rates for staff time involved in the service or activity.				
Fee Description		Fee	Unit	Notes
8	City Engineer	\$165	per hour	
9	Other Staff/Outside Service Providers	100%	of actual costs, plus admin rate	

Notes

[a] Major Projects include ground disturbing activities, projects lasting longer than three days, or projects that require permanent traffic control for the duration of the project (e.g. excavation, trenching, boring, etc.).

* The City Manager may waive encroachment permit fees for activities associated with City projects or contracts.

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7.4

**MEDICAL AND NON-MEDICAL MARIJUANA
DISPENSARY REGULATIONS**

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City of Laguna Woods Agenda Report

TO: Honorable Mayor and City Councilmembers

FROM: Christopher Macon, City Manager
David B. Cosgrove, City Attorney

FOR: April 19, 2017 Regular Meeting

SUBJECT: Medical and Non-Medical Marijuana Dispensary Regulations

Recommendation

1. Receive staff report.

AND

2. Open public hearing.

AND

3. Receive public testimony.

AND

4. Close public hearing.

AND

5. Approve the introduction and first reading of an ordinance – read by title with further reading waived – entitled.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA, AMENDING SECTIONS 13.08.010, 13.10.020, 13.12.020, 13.13.020, AND 13.26.025 AND ADDING A NEW

SECTION 13.26.027 OF THE LAGUNA WOODS MUNICIPAL CODE
RELATED TO MEDICAL AND NON-MEDICAL MARIJUANA
DISPENSARIES AND DELIVERY SERVICES

OR

6. Provide direction to staff regarding the preparation of regulations permitting the establishment, location, and operation of medical and/or non-medical marijuana dispensaries, and/or the need for further study and analysis.

Background

The City presently has a regulatory ordinance permitting medical marijuana dispensaries, codified at Section 13.26.025 of the Laguna Woods Municipal Code. The ordinance was adopted in 2008 and subsequently amended in 2012.

At a special meeting on September 10, 2015, the City Council adopted an urgency ordinance that imposed a moratorium on the establishment, location, or operation of medical marijuana dispensaries for a 45-day period (September 10, 2015 through October 24, 2015). At a special meeting on October 13, 2015, the City Council adopted an ordinance extending the moratorium through September 8, 2016. Then, at a regular meeting on August 17, 2016, the City Council adopted an ordinance extending the moratorium through September 8, 2017. Pursuant to state law, the moratorium may not be extended beyond September 8, 2017.

During the moratorium, all operation of Section 13.26.025 of the Laguna Woods Municipal Code is suspended and the City may not issue regulatory permits in furtherance of the establishment, location, or operation of a medical marijuana dispensary within the City. The agenda reports from the meetings on September 10, 2015, October 13, 2015, and August 17, 2016, as well as the ordinance adopted on August 17, 2016, are included as attachments A, B, C, and D, respectively, and incorporated herein by reference.

For reasons, and in light of findings, set forth in the ordinances, and in accordance with applicable sections of state law, the moratorium was deemed necessary for the immediate preservation of the public health, safety, and welfare, to prohibit any uses that may be in conflict with a contemplated zoning proposal that the City is considering or intends to study within a reasonable time.

As described in the ordinances, the moratorium is intended to provide the City time to study the effect of medical marijuana dispensaries on the community, and to assess its ability to draft and adopt regulations consistent with its inherent police power to determine, for purposes of the public health, safety, and welfare, the appropriate uses of land within its jurisdiction.

Discussion

In addition to medical marijuana dispensaries, and due to California voters' recent approval of Proposition 64 (Control, Regulate, and Tax Adult Use of Marijuana Act), today's meeting has been noticed in a manner that allows for consideration of both medical and non-medical marijuana dispensaries.

Since August 17, 2016, staff has continued the investigations requested by the City Council with a focus on analyzing the impact of Proposition 64, as well as public safety and land use implications related to any prospective establishment, location, or operation of medical marijuana dispensaries in Laguna Woods. With the recent change in presidential administrations, staff has also reviewed the administration's public statements related to marijuana. A brief summary of federal and state law, and the results of staff's investigations are organized under the subheadings below.

A. Federal Law

Without question, marijuana (both medical and non-medical) is, and remains, illegal under federal law. It remains classified as a Schedule 1 controlled substance under the Controlled Substances Act (21 USC §§ 801 *et seq.*). As indicated in the agenda reports dated September 10, 2015, October 13, 2015, and August 17, 2016, the California Supreme Court has held that bans on medical marijuana dispensaries are permissible under a city's inherent zoning power, but it has, thus far, declined to reach the issue whether permitting such dispensaries would violate the Controlled Substances Act or California Government Code Section 37100¹.

Notwithstanding federal illegality, a majority of states and the District of Columbia have legalized or decriminalized certain marijuana-related activity. Such actions have been a contributing factor in the promulgation of revised federal enforcement

¹ California Government Code Section 37100, which relates broadly to cities' legislative powers, provides: "The legislative body may pass ordinances not in conflict with the Constitution and laws of the State or the United States." The City Council may, therefore, not pass an ordinance directly in conflict with either federal or state law.

policies. Specifically, on August 29, 2013, Deputy Attorney General James J. Cole issued a directive to all United States Attorneys entitled *Guidance Regarding Marijuana Enforcement*. The Cole Memorandum reaffirms the federal illegality of marijuana, but also indicates that the United States Department of Justice is committed to using its limited investigative and prosecutorial resources to address what it has determined to be “priority threats,” including:

- Preventing the distribution of marijuana to minors;
- Preventing revenue from the sale of marijuana from going to criminal enterprises, gangs, and cartels;
- Preventing the diversion of marijuana from states where it is legal under state law in some form to other states;
- Preventing state authorized marijuana activity from being used as a cover or pretext for the trafficking of other illegal drugs or illegal activity;
- Preventing violence and use of firearms in the cultivation and distribution of marijuana;
- Preventing drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use;
- Preventing the growing of marijuana on public lands and the attendant public safety and environmental dangers posed by marijuana production on public land; and
- Preventing marijuana possession or use on federal property.

The aforementioned priorities were further referenced in a memorandum from the United States Department of Treasury, Financial Crimes Enforcement Network, dated February 14, 2014. The Treasury Memorandum provides guidance to various financial institutions that might deal with medical marijuana dispensaries operating under state law, and requires different forms of “suspicious activity reports” depending upon individual facts and circumstances relating to the individual medical marijuana dispensary customers of financial institutions.

From those memoranda, one might infer that the current risk of federal enforcement against, at least, medical marijuana dispensaries operating consistent with state law, and cities that adopt enabling regulations, is diminished, particularly if local regulatory efforts are directed at avoiding the priority federal threats identified above. It should be noted, however, that the aforementioned limitations on federal enforcement do not change congressional legislative policy under the Controlled Substances Act, nor do they confer immunity on any party from any federal criminal

prosecution or forfeiture action. (See, e.g., *United States v. McIntosh* 833 F.3d 1163, 1179 n. 5 (9th Cir. 2016.)). Further, federal enforcement policies may change at any time. While it can reasonably be inferred that the formal and public definition of enforcement priorities for medical marijuana-related activities undertaken pursuant to state law signal at least a recent federal intention to eschew strict enforcement, recent public statements from the White House² and United States Department of Justice³ indicate that a more aggressive enforcement posture is likely to be taken with respect to, at least, non-medical marijuana-related activities, irrespective of whether such activities are undertaken pursuant to state law.

Regarding federal enforcement, it should be noted that in 2014, the United States Congress passed a budget amendment that eliminated all funding for investigations and prosecutions conducted by the United States Department of Justice related to state medical marijuana laws (the Rohrabacher–Farr Amendment), which effectively ended the federal government’s enforcement of medical marijuana-related laws. That budget amendment has been passed several times since 2014, but is currently set to expire on April 28, 2017, absent continuing legislation (P.L. 114-254, § 101(1)).

Federal legislators have introduced several pieces of legislation intended to support medical marijuana use, including H.R. 714 and H.R. 715 (which would both move marijuana off of the Controlled Substances Act’s Schedule 1), as well as H.R. 975, which would exempt certain activities from punitive enforcement if undertaken in concert with State law. A more complete list of legislation under consideration can be found on the National Organization for the Reform of Marijuana Laws’ website (www.norml.org). While the rescheduling of marijuana, or the establishment of protections from federal law, would likely represent a dramatic reduction in exposure to potential liability by cities considering a regulatory approach to medical and/or non-medical marijuana dispensaries, no such legislation has been signed into law.

In short, federal policy on marijuana remains murky. The Controlled Substance Act’s classification of marijuana as a Schedule 1 controlled substance remains the

² At a press briefing on February 23, 2017, White House Press Secretary Spicer stated “I do believe that you’ll see greater enforcement of it” in response to a question regarding whether the federal government will take action related to states legalizing marijuana for recreational purposes.

³ A memorandum from United States Attorney General Sessions dated April 5, 2017 states that the Department of Justice’s Task Force on Crime Reduction and Public Safety’s Violent Crime Reduction Strategy Development Subcommittee will review “existing policies in the areas of charging, sentencing, and marijuana to ensure consistency with the Department’s overall strategy on reducing violent crime and with Administration goals and priorities.”

controlling law of the land, and federal enforcement policies have varied in response to evolving permissive treatment of both medical and non-medical uses under state laws. Nothing in those enforcement policies contradicts applicable federal law, however, and reliance on them in no way serves to insulate anyone from potential federal prosecution, and its rather dire consequences, if federal enforcement priorities change. A comprehensive analysis of the unclear nature of federal policy in this field was recently issued by the Congressional Research Service⁴, entitled, “The Marijuana Policy Gap and the Path Forward” (Attachment E). That report details gaps in policies between the federal government and the states, frames many of the issues that the United States Congress has yet to decide upon, and provides helpful background on both social and legal implications of the present tensions between the various levels of government on this issue.

B. State Law – Medical Marijuana

Staff’s previous agenda reports have provided background regarding the California Compassionate Use Act (Health and Safety Code Section 11362.5), the Medical Marijuana Program Act (Health and Safety Code Section 11362.7), and the Medical Marijuana Regulation and Safety Act (MMRSA). The MMRSA has initiated a major reworking of the regulatory scheme enacted by earlier statutes.

Currently, all three State licensing agencies (Department of Food and Agriculture, and Department of Public Health, and Bureau of Medical Cannabis Regulation) plan to complete their rule-making processes by the end of 2017, and begin accepting applications for medical marijuana dispensary licenses on January 1, 2018. While the City Council does not have the ability to extend its existing moratorium on the establishment, location, or operation of medical marijuana dispensaries beyond September 8, 2017, it could adopt regulations to be effective at a later date.

C. State Law – Proposition 64

On November 8, 2016, approximately 57% of California voters voted to approve Proposition 64 (Control, Regulation, and Tax Adult Use of Marijuana Act) which, among other things, decriminalized certain forms of non-medical marijuana-related

⁴ According to its website, “The Congressional Research Service (CRS) works exclusively for the United States Congress, providing policy and legal analysis to committees and Members of both the House and Senate, regardless of party affiliation. As a legislative branch agency within the Library of Congress, CRS has been a valued and respected resource on Capitol Hill for more than a century.” (<https://www.loc.gov/crsinfo/>)

activities under state law. Those same activities remain illegal under federal law. In Laguna Woods, Proposition 64 failed with approximately 51% of voters opposed.

Table 1: Proposition 64 Election Results – Laguna Woods

Registration	Ballots Cast	Turnout	Yes	No
13,912	12,235	87.9%	5,516 (~49%)	5,826 (~51%)

Laguna Woods turnout for the Proposition 64 election was high at nearly 88% of registered voters. The fairly evenly divided results on whether to legalize the use of marijuana by adults for non-medical purposes suggests to staff that Laguna Woods is not the appropriate location for an early foray into the newly approved and soon-to-be regulated non-medical marijuana industry.

With respect to non-medical marijuana dispensaries, Proposition 64 neither currently allows their establishment, nor requires cities to permit their future establishment. Non-medical marijuana dispensaries will continue to be illegal under state law, until the State implements the licensing program envisioned by Proposition 64. At that time, which is expected to be January 1, 2018, non-medical marijuana dispensaries will be required to obtain a license from the State. If a city elects to prohibit non-medical marijuana dispensaries, the State will not issue licenses. Any operation of non-medical marijuana dispensaries without a State license would be illegal.

While the approval of Proposition 64 primarily affects the use of marijuana by adults for non-medical purposes, it also exempts medical marijuana from sales and use tax unless the qualified patient or primary caregiver fails to present both a valid Medical Marijuana Identification Card issued by the Department of Public Health and a valid government-issued identification card at the time of purchase. As a result, the City's only new, business-generated sources of revenue to offset new costs associated with providing law enforcement and other City services for, or as a result of, prospective medical marijuana dispensaries, would be: 1) sales and use tax from purchases where insufficient identification is presented to qualify for exemption, 2) a nominal amount of property tax, 3) regulatory fees to recover reasonably quantifiable costs, 4) a voter-approved business license tax, and/or 5) individual development agreements with applicants. The latter would be voluntary and is not something that the City could require of applicants in the normal course of processing development applications.

Staff does not believe that the City has adequate financial means to provide any level of reasonable assurance that enforcement costs associated with medical or non-medical marijuana dispensaries could be accommodated within the City's budget,

absent some additional level of taxation or other financial arrangement. The Orange County Registrar of Voters estimates the cost of a holding a special election to seek voter-approval of such a tax at \$85,832 to \$93,507. The City would also incur other costs related to preparing and filing a ballot measure with no certainty of outcome. As an alternative, the City could wait to consolidate a ballot measure with the next general election in November 2018 for significant savings.

In January 2017, staff met with Orange County Sheriff Hutchens and members of her command staff to discuss the approval of Proposition 64 and the Orange County Sheriff's Department's perspective on medical and non-medical marijuana in light of that voter-approved change in state law. Sheriff Hutchens expressed continuing concerns, which are detailed in her letter dated January 30, 2017 (Attachment F).

D. State Law – Impact on Medical Marijuana Collectives and Cooperatives

Under the Medical Marijuana Program Act, medical marijuana patients and primary caregivers were allowed to “...associate within the State of California in order collectively or cooperatively to cultivate marijuana for medical purposes” (Health and Safety Code Section 11362.775). The MMRSA includes a new licensing scheme for medical marijuana cultivation, manufacturing, transportation, and dispensing, but does not appear to contemplate the continuation of non-profit collectives and cooperatives, at least as they operate currently. Such collectives and cooperatives will have one year from the date that the Department of Consumer Affairs begins to issue licenses under the MMRSA to bring their operations into compliance with state law, and will have to determine what permitted segment of the medical marijuana supply chain they seek to obtain permission to conduct. They will also be required to obtain corresponding necessary permits from applicable cities, which reserve the right under state law to prohibit such activities.

Regarding medical marijuana cultivation, the City presently allows qualified patients and primary caregivers to cultivate medical marijuana for non-commercial purposes, in accordance with applicable provisions of the MMRSA⁵. Those allowances will not be affected by the State-mandated changes to collectives and cooperatives.

⁵ For qualified patients, this generally includes a limit of 100 square feet of cultivated area. For primary caregivers, this generally includes a limit of 500 square feet of cultivated area and a limit of five specified qualified patients for whom he or she is the primary caregiver. For additional information, see Section 13.26.026 of the Laguna Woods Municipal Code. Separately, Proposition 64 allows individuals to grow up to six marijuana plants at their home for personal use, regardless of whether the use is medical or non-medical.

E. Law Enforcement Deployment Study

One of the studies requested by the City Council at the meeting on October 13, 2015, was a “deployment study to assess the availability of existing local law enforcement resources to respond to potential adverse secondary effects generated by medical marijuana dispensaries, as well as to assess the potential to align permitted hours of operation accordingly.” In light of the recent, significant increases in the City’s law enforcement costs, which have been driven, in large part, by an overextension of locally assigned law enforcement personnel, staff continues to believe that it is imperative to consider carefully the availability of deputies to handle a potentially increased call volume, as well as the fiscal ramifications thereof. A reemergence of equity concerns on the part of surrounding cities that would be required to provide law enforcement personnel to augment the City’s assigned personnel, if unavailable or insufficient, could have dramatic and deeply impactful fiscal consequences.

The City contracted with the Center for Public Safety Management (CPSM) to complete the deployment study. CPSM is the exclusive provider of public safety technical assistance for the International City/County Management Association (ICMA) and has conducted more than 240 law enforcement studies for jurisdictions throughout the country, ranging in size from much smaller than Laguna Woods to as large as Indianapolis, Indiana. Other California clients have included the cities of Alameda, Carlsbad, El Centro, Hermosa Beach, Santa Ana, and Santa Clara.

CPSM analyzed calls for service and the activities of deputies assigned to the City for a 10 month period from September 1, 2015 through June 30, 2016. During that time, there were 4,330 calls for service which, when combined with non-call activity (e.g., report writing, briefings, equipment check-in/out, meal breaks, and commute time between Laguna Woods and the Aliso Viejo substation) resulted in findings of the hourly deployment workloads shown in Table 2.

Table 2: Hourly Deployment Workloads – September 2015 through June 2016

Shift	Weekday Workload	Weekend Workload
Day	59%	53%
Night	51%	52%
Swing	61%	58%
Average (All Shifts)	57%	54%

While there is no single standard for optimal law enforcement workload, the City and the Orange County Sheriff’s Department agree that 60% is an optimal level of

reactive versus proactive time (meaning that a workload of up to 60% allows for an adequate amount of time to be spent providing crime prevention services).

Staff has reached the following conclusions:

1. Current deployment has resulted in an optimal workload that allows for timely responses to calls for service, as well as availability to work proactively. That workload would be imperiled by any significant increase in call volume. Staff cannot say with certainty that call volume would or would not increase as a result of medical or non-medical marijuana dispensaries, but in light of the significant financial challenges posed by existing law enforcement costs, staff recommends an extremely conservative view of that particular possibility.
2. Current deployment has resulted in approximate equity with cities that have previously raised concerns regarding its adequacy. Equity concerns could be exacerbated by any significant increase in call volume, particularly due to 1) the City's regular deployment of no more than two deputies at a given time, and 2) the Sheriff's Department's policy of responding to calls for service at marijuana dispensaries with a minimum of two deputies. In almost every foreseeable instance, the unknown, but potentially increased, call volume that medical or non-medical marijuana dispensaries may generate would require supplemental coverage from deputies assigned to cities other than Laguna Woods, either to respond to those calls directly or to handle unrelated calls that occur when Laguna Woods deputies are responding to dispensary calls. Staff is unable to quantify the impact that would have on equity or budgets.

F. Recommended Action

As staff advised on September 10, 2015, October 13, 2015, and August 17, 2016, the City's legally safest course, and the one followed by most Orange County cities, would be to prohibit medical and non-medical marijuana dispensaries. An ordinance to that effect is included as Attachment G. Such bans have been authorized by the California Supreme Court in *City of Riverside v. Inland Empire Patients Health and Wellness Center, Inc.* (2013) 56 Cal. 4th 729. They are also specifically authorized under both the MMRSA and Proposition 64.

Prohibiting dispensaries would place the City on well-defined legal ground, help insulate against the adverse secondary effects that the City is advised such uses may generate, and allow the City to monitor the development of state law, and developing

federal enforcement policies, with a minimum of legal risk. It is the only option that staff can confirm, with any degree of certainty, that the City has sufficient resources to implement.

Presently, the City's regulations do not address medical marijuana deliveries. Staff is advised that medical marijuana delivery services, acting colorably in compliance with existing state law, have provided medical marijuana to Laguna Woods residents for some time, without any known incidence of crime. In deference to concerns that qualified patients and primary caregivers have access to well-regulated medical marijuana products, staff's recommendation includes specific language that would allow medical marijuana dispensaries operating in compliance with state law at locations outside of Laguna Woods to make deliveries to addresses in Laguna Woods. Beginning in 2018, medical marijuana products that are sold in dispensaries or provided for delivery will be subject to the same stringent, statewide testing, manufacturing, and packaging/labeling standards mandated by the MMRSA. Many, if not most, medical marijuana dispensaries that offer delivery services also offer telephone consultations to aid in product selection for individuals who are unable to travel to the dispensary. Under staff's recommendation, therefore, licensed dispensaries in other cities would be able to deliver medical marijuana to qualified patients and primary caregivers in Laguna Woods, but the dispensaries themselves could not be located here. That approach would differentiate Laguna Woods from surrounding cities such as Aliso Viejo, Irvine, Laguna Beach, Laguna Hills, and Lake Forest that have prohibited medical marijuana deliveries.

As of January 1, 2018, non-medical marijuana cultivation, dispensary, and transport activities are also scheduled to come under state regulation. This raises the prospect of state-qualified, non-medical marijuana dispensaries offering delivery services. Staff has considered recommending that the local allowance of marijuana deliveries be limited to medical users only, but is concerned with the likely difficulties involved in enforcement given the lack of any bright line distinction between the two types as relates to delivery to end users. Staff believes that making such a distinction would likely generate more enforcement challenges, and costs, than simply relying on the state scheme to determine what deliveries would be permitted, whether they consist of medical or non-medical marijuana. As such, the proposed ordinance does not draw a distinction between delivery to medical or non-medical marijuana users, and instead merely requires that any delivery service that purports to deliver to locations in Laguna Woods must do so in a manner consistent with state law.

Staff has also been asked about potential preferences in regulations that would allow existing Laguna Woods-based medical marijuana collectives and cooperatives to continue to operate. Unfortunately, the State Legislature, through its enactment of the MMRSA, has mandated that those entities modify their operations in the coming years, to conform to the new state licensing scheme. As staff understands it, those pending state regulations will put collectives and cooperatives on an even regulatory footing with, and in competition with, all other marijuana retailers. The City is unable to adopt land use regulations that seek to protect the interests of certain medical marijuana dispensaries to the detriment or exclusion of others. Permitting dispensaries under current state laws would necessarily permit all retailers to open businesses in Laguna Woods, consistent with applicable regulations. It would also not guarantee that any particular dispensary is able to secure real property to operate in Laguna Woods, as those decisions would be made by private property owners and be market-driven. Staff's recommendation does nothing to prevent collectives and cooperatives without dispensary presences to continue to operate in Laguna Woods, provided that they can do so in a manner consistent with state law, until such time as the new state licensing scheme may compel changes to their manner of operation.

In summary, staff's recommendation WOULD:

1. Prohibit the establishment, location, or operation of medical and non-medical marijuana dispensaries – none of which currently exist in Laguna Woods
2. Allow the delivery of medical or non-medical marijuana to qualified patients, primary caregivers, or customers by medical or non-medical marijuana dispensaries operating in compliance with state law at locations outside of Laguna Woods, including those located in Santa Ana and San Diego
3. Allow medical marijuana collectives and cooperatives without dispensary presences to continue to operate in Laguna Woods, in a manner consistent with state law, until such time as state law prohibits their doing so
 - o At the point at which medical marijuana collectives and cooperatives can no longer operate, medical marijuana dispensaries and delivery services will be subject to the same stringent, statewide testing, manufacturing, and packaging/labeling standards mandated by the MMRSA.
4. Direct staff to re-agendize a City Council discussion of potential regulations permitting the establishment, location, and operation of medical and/or non-

medical marijuana dispensaries should marijuana be moved off of the Controlled Substances Act's Schedule 1

Staff's recommendation WOULD NOT:

1. Change the City's existing regulations related to marijuana cultivation. The City's existing regulations 1) expressly prohibit the commercial cultivation of medical marijuana, 2) implicitly prohibit the commercial cultivation of non-medical marijuana, and 3) expressly allow the cultivation of medical marijuana by qualified patients and primary caregivers, provided that such cultivation qualifies for the exemption set forth in subdivision (g) of Section 11362.777 of California Health and Safety Code and is otherwise conducted in accordance with State and local laws.
2. Implement any local legislative change regarding the operation of medical marijuana collectives and cooperatives without dispensary presences (but, to the extent that coming state law regulations call for such operations to become dispensaries, such dispensaries would need to be located outside of Laguna Woods; deliveries from such dispensaries to qualified patients and primary caregivers located in Laguna Woods would be permitted)
3. Prevent the City Council from reconsidering potential regulations permitting the establishment, location, and operation of medical and/or non-medical marijuana dispensaries if circumstances change in the future

If the City Council takes the recommended action at today's meeting, the proposed ordinance would be agendized for a second reading and consideration of adoption at an upcoming meeting. The ordinance would take effect 30 days after adoption. Until then, the existing moratorium would remain in effect.

G. Other Potential Action

If the City Council is interested in considering potential regulations that would permit the establishment, location, and operation of medical and/or non-medical marijuana dispensaries, such a discussion could be agendized for as early as the next regularly scheduled City Council meeting on May 17, 2017.

The City Council may also request additional information from staff, direct staff to prepare alternate ordinances for future consideration, or provide other direction.

Environmental Review

Neither the adoption of the proposed ordinance, nor study and analysis relative to the moratorium, are projects under the requirements of the California Environmental Quality Act (CEQA). The adoption of this ordinance is not a project under the requirements of the California Environmental Quality Act (CEQA), pursuant to sections 15061(b)(3), 15321, and 15378 of the CEQA Guidelines. The adoption of the Zoning Code amendments present no possibility that the activity in question will pose a significant effect on the environment, since there are no commercial dispensary or cultivation facilities present within the City, and this ordinance will continue that baseline condition; the ordinance relates to enforcement actions in connection with permits and permitted activities, and relates to general policy and procedure making of the City.

Fiscal Impact

The recommended action could be accommodated in the City's existing budget, which includes \$35,090 for medical marijuana-related studies and analysis services. If the City Council chooses to continue further study and analysis, additional funds may be required. If that is the case, a resolution adopting an amended budget would be agendaized for City Council consideration at a future meeting.

Attachments: A – Agenda Report from September 10, 2015
B – Agenda Report from October 13, 2015
C – Agenda Report from August 17, 2016
D – Ordinance No. 16-02
E – “The Marijuana Policy Gap and the Path Forward”, Congressional Research Service, March 10, 2017
F – Letter from Orange County Sheriff (January 30, 2017)
G – Proposed Ordinance



City of Laguna Woods Agenda Report

TO: Honorable Mayor and City Councilmembers

FROM: Christopher Macon, City Manager
David B. Cosgrove, City Attorney

FOR: September 10, 2015 Special Meeting

SUBJECT: Medical Marijuana Dispensaries Ordinance

Recommendation

1. Receive staff report.

AND

2. Open public hearing.

AND

3. Receive public testimony.

AND

4. Close public hearing.

AND

5. Adopt an ordinance – read by title with further reading waived – entitled:

AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAGUNA WOODS, CALIFORNIA PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTIONS 36934, 36937, AND 65858, ADOPTING A MORATORIUM ON ESTABLISHING, LOCATING, OR OPERATING MEDICAL MARIJUANA DISPENSARIES

Background

The City presently has a regulatory ordinance permitting medical marijuana dispensaries, codified at Section 13.26.025 of the Laguna Woods Municipal Code. The ordinance was adopted in 2008 and subsequently amended in 2012.

Discussion

1. The City's Medical Marijuana Dispensary Ordinance.

The regulatory ordinance permitting medical marijuana dispensaries requires an applicant to undergo a background check from the Police Chief, and requires the Police Chief's input with respect to the acceptability of the applicant's background, suitability of the proposed location, format and location of security cameras, and other matters as may be determined appropriate by the Police Chief. The ordinance also provides that in the event that an applicant is not the legal owner of a property, an application must be accompanied by a notarized acknowledgement from the applicable property owner that a medical marijuana dispensary will be operated on the property. City staff believes that latter provision has proven to be a significant hurdle to past parties interested in locating dispensaries in Laguna Woods.

To date, the City has not received a completed application for a medical marijuana dispensary. With the medical marijuana dispensary bans that exist in almost all other Orange County cities, as well as the interest in permitted medical marijuana dispensary facilities currently experienced by the City of Santa Ana and others; recovery in the local real estate market since the regulatory ordinance was originally enacted in 2008; and, information that City staff has received that one or more properties in the City are being marketed for sale for purchase by prospective medical marijuana dispensary permit applicants, City staff believes that renewed interest in locating a medical marijuana dispensary within Laguna Woods will result in one or more applications being received soon.

2. The City's Land Use Regulatory Review Process.

The City is in the process of updating its overall land use regulatory structure. On April 16, 2014, the City Council adopted an update of the General Plan Safety Element. On December 17, 2014, the City Council adopted a Climate Adaptation Plan. On July 29, 2015, the City Council adopted an update of the General Plan Conservation Element. On May 20, 2015 the City Council adopted an update of the Building & Planning Services Fee Schedule.

The City's land use regulatory analysis is ongoing. On June 24, 2015, City Council included within its budget and work plan for Fiscal Year 2015-16, a General Plan Comprehensive Update Project and a Commercial Zoning Code Uses and Parking Standards Update Project. Staff is presently working to advance those directives.

3. Communication from the Orange County Sheriff's Department.

Realizing that local conditions pointed to the probability of a medical marijuana dispensary seeking to locate in Laguna Woods, and in analyzing how the present regulatory climate for medical marijuana dispensaries fits within a broader scheme of the City's review of land uses generally, City staff consulted with the Sheriff's Department regarding its contemplated role in the medical marijuana dispensary permitting process. That consultation resulted in a letter from the Sheriff's Department dated August 24, 2015 (Attachment A).

In the aforementioned letter, the Sheriff's Department makes clear its position that medical marijuana dispensaries are inconsistent with federal law and often operated in a manner that is inconsistent with state law. The Sheriff's Department further indicates a lack of support for any municipal code provision that would allow the establishment of medical marijuana dispensaries for reasons including described "adverse secondary effects" and conditions compromising the "health and welfare of the community and negatively [impacting] the residents' quality of life." Accordingly, the Sheriff's Department urges repeal of the City's regulatory ordinance and, likewise, recommends that the City consult with the cities of Dana Point, Laguna Hills, and Lake Forest, all of which have had prior experience with medical marijuana dispensaries and their effects.

The Sheriff's Department states that while it will conduct a LiveScan background check that it believes is consistent with its contractual obligations under the City's law enforcement services contract, it will not "review or approve any security plan of a dispensary, and will not determine the 'acceptability' of any applicant and the 'suitability' of the proposed location."

4. Federal and California Law regarding Medical Marijuana.

The adverse secondary effects alleged by the Sheriff's Department arise against a developing but still somewhat uncertain legal background regarding a city's ability to permit medical marijuana dispensaries.

The California Supreme Court in *City of Riverside v. Inland Empire Patients Health and Wellness Center, Inc.*, (2013) 56 Cal. 4th 729, noted that under the federal Controlled Substances Act, marijuana is considered as a drug, without accepted medical use and treatment, and without any medical necessity exception to prosecution and conviction under federal law. Notwithstanding, California has had medical marijuana legislation for some time. In 1996, the electorate enacted the Compassionate Use Act, Health and Safety Code Section 11362.5. That Act decriminalized possession and cultivation of marijuana for medical purposes, under specified circumstances. In 2004, the California Legislature adopted the Medical Marijuana Program, Health and Safety Code Section 11362.7, which expanded the Compassionate Use Act, provided for identification cards for qualified patients and their caregivers, and decriminalized collective cultivation and various possession, processing, transportation and distribution prohibitions.

Despite the broad legislative statements of intent in the Compassionate Use Act and Medical Marijuana Program, courts have taken a more limited view of their practical impact. The California Supreme Court has specifically denied that either ensures Californians of a right to obtain and use marijuana for medical purposes, and has upheld the authority of cities to regulate, and even ban, medical marijuana dispensaries, under their traditional local zoning power (*City of Riverside v. Inland Empire Patients Health and Wellness Center, Inc.*, *supra*; 56 Cal. 4th 729, 749.).

Although the law is clear that a city can ban medical marijuana dispensaries, it is significantly less clear how, and whether, a city may permit them. In the *Riverside* case, the California Supreme Court specifically declined to pass on the City of Riverside's argument that, if the Compassionate Use Act and Medical Marijuana Program were construed to require local jurisdictions to accommodate medical marijuana dispensaries, they would be pre-empted by federal law. The California Supreme Court likewise refused to consider whether Government Code Section 37100 forbids a city from adopting ordinances authorizing local land use for medical marijuana dispensaries, as being potentially in conflict with federal law.

The cities of Long Beach and Santa Ana both have enacted medical marijuana dispensary permit regulations, based on a lottery assignment of eligible locations. The Long Beach ordinance was overturned by the appellate court in *Pack v. Superior Court of Los Angeles*, (2011) 199 Cal. App. 4th 1070, indicating it was inconsistent with, and pre-empted by, Federal law (the opinion has subsequently been de-published). Santa Ana's lottery system is currently the subject of litigation, *Dillon, et al. v. City of Santa Ana*, Orange County Superior Court Case No. 30-

2015-00786940. In the *Dillon* case, a preliminary injunction was denied on June 19, 2015, which would have prevented the City from permitting medical marijuana dispensaries that won the lottery. The case is now proceeding through pleading and discovery phases and is being monitored by City staff.

5. The Potential Moratorium for Further Study of Dispensary Uses.

City staff believes that the overall situation described herein leaves the City in an uncertain and compromised position with respect to its medical marijuana dispensary permitting regulations. As a practical matter, without the cooperation of the Sheriff's Department, the City cannot fulfill the portions of its regulatory ordinance that call for participation of the Police Chief. It is uncertain the extent to which the City could privately contract with investigative or other public safety consultants for similar services, and whether the information gleaned from such private consultants would yield the same level of efficacy and safety in terms of reviews that might otherwise be conducted by the Sheriff's Department. The result raises the prospect of incomplete reviews of medical marijuana dispensaries, which is particularly troubling given the roster of adverse secondary effects that the Sheriff's Department alleges such medical marijuana dispensaries pose.

There are a number of other practical land use questions that also arise regarding the establishment, location, and operation of medical marijuana dispensaries in Laguna Woods. It is City staff's understanding that medical marijuana dispensaries that formerly operated in other South Orange County cities received significant amounts of traffic, which could reasonably be expected to be compounded if a lone South Orange County permitted medical marijuana dispensary were to arise within Laguna Woods. As such, City staff believes that it needs to undertake analysis of parking and traffic demands from those types of operations, to avoid unsafe traffic turning movements, parking or stopping, and to assure that adequate parking and access to such facilities is required, to avoid negative effects on surrounding uses.

City staff would also like to pursue the Sheriff's Department's recommendation of discussion with neighboring cities regarding their experiences with the municipal service and public safety demands attendant to medical marijuana dispensaries. Issues such as appropriate lighting; hours of operation; distance from potentially sensitive surrounding uses; the nature, format, and availability of security camera monitoring; and, the balance between patient privacy and the safety of medical marijuana dispensary patrons and surrounding uses, all require further study.

At today's meeting, City staff is recommending adoption of an urgency ordinance adopting a moratorium on the establishment, location, or operation of medical marijuana dispensaries (Attachment B). Such moratoria are authorized under Government Code Section 65858, which requires a finding that there is a current and immediate threat to public health, safety, or welfare, and that the approval of use permits or entitlements for use otherwise required in order to comply with the ordinance would result in that threat to public health, safety, or welfare.

Here, City staff believes that the required findings are met for the reasons stated in this agenda report, and as further elaborated on in the proposed urgency ordinance. Under present statements from the Sheriff's Department regarding its level of participation with respect to the City's regulatory ordinance, the City would have to apply either a truncated or amended permit application review process that would likely result in a review less thorough than that originally contemplated as required under the regulatory ordinance. The adverse secondary effects alleged by the Sheriff's Department certainly pose the types of threat to public health, safety, or welfare contemplated under the urgency ordinance, and City staff requires time to investigate the background information upon which the Sheriff's Department's letter has been issued, as well as to investigate the experience of other cities.

If the City Council chooses to adopt the urgency ordinance, the moratorium would be in effect for a period of 45 days. City staff would be required to provide a report to the City Council on measures taken to alleviate the conditions leading to the urgency ordinance 10 days before it expires. If conditions warrant, the moratorium could be extended for up to 10 months and 15 days, upon a regular noticed public hearing otherwise consistent with standard zoning measure requirements. Should the conditions that led to the initial enactment of the urgency ordinance persist, the moratorium could be extended for up to another year beyond that.

City staff is aware that there are strong and deeply-held opinions on all sides of the medical marijuana dispensaries issue; however, the City's land use policies must deal with the legal uncertainty on the subject, the uncertainty with respect to the City's regulatory ordinance and the role of its Police Chief, and the prospect of adverse secondary effects that have been raised by the City's law enforcement services provider. City staff believe that a moratorium would allow further study, discussion with other cities that have experience with medical marijuana dispensaries, and further development of the City's updated land use regulatory structure, in order to determine whether or how medical marijuana dispensaries might compatibly be integrated into the City's land use.

Environmental Review

The adoption of the proposed urgency ordinance and moratorium is not a project under the requirements of the California Environmental Quality Act (CEQA), pursuant to Section 15601(b)(3) of the CEQA Guidelines.

Fiscal Impact

Fiscal impacts associated with the proposed urgency ordinance and moratorium are uncertain at this time. For City staff to take measures to alleviate the conditions leading to the urgency ordinance, and provide associated reporting, it is anticipated that costs would be incurred for services including legal, planning, and traffic engineering, as well as potential public safety services and public noticing. City staff would seek to accommodate such costs in the City's budget.

Attachments: A – Orange County Sheriff's Department Letter
B – Proposed Ordinance

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City of Laguna Woods Agenda Report

TO: Honorable Mayor and City Councilmembers

FROM: Christopher Macon, City Manager
David B. Cosgrove, City Attorney

FOR: October 13, 2015 Special Meeting

SUBJECT: Medical Marijuana Dispensaries Ordinance

Recommendation

1. Receive staff report.

AND

2. Open public hearing.

AND

3. Receive public testimony.

AND

4. Close public hearing.

AND

5. Take one of the following actions:

A. Adopt an ordinance – read by title with further reading waived – entitled:

AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY
OF LAGUNA WOODS, CALIFORNIA PURSUANT TO CALIFORNIA

GOVERNMENT CODE SECTIONS 36934, 36937, AND 65858,
EXTENDING A MORATORIUM ON ESTABLISHING, LOCATING, OR
OPERATING MEDICAL MARIJUANA DISPENSARIES FOR THE
PURPOSE OF PURSUING PROHIBITION THEREOF

OR

B. Adopt an ordinance – read by title with further reading waived – entitled:

AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY
OF LAGUNA WOODS, CALIFORNIA PURSUANT TO CALIFORNIA
GOVERNMENT CODE SECTIONS 36934, 36937, AND 65858,
EXTENDING A MORATORIUM ON ESTABLISHING, LOCATING, OR
OPERATING MEDICAL MARIJUANA DISPENSARIES FOR THE
PURPOSE OF FURTHER STUDY AND ANALYSIS

Background

The City presently has a regulatory ordinance permitting medical marijuana dispensaries, codified at Section 13.26.025 of the Laguna Woods Municipal Code. The ordinance was adopted in 2008 and subsequently amended in 2012.

At a special meeting on September 10, 2015, the City Council adopted an urgency ordinance that imposed a moratorium on the establishment, location, or operation of medical marijuana dispensaries for a 45-day period (September 10, 2015 through October 24, 2015). During the moratorium, all operation of Section 13.26.025 of the Laguna Woods Municipal Code is suspended and the City may not issue regulatory permits in furtherance of the establishment, location, or operation of a medical marijuana dispensary within the City. The agenda report from the meeting on September 10, 2015, a letter from the Orange County Sheriff that was attached thereto, and the urgency ordinance are included as attachments A, B, and C.

For reasons, and in light of findings, set forth in the ordinance, and in accordance with applicable sections of State law, the moratorium was deemed necessary for the immediate preservation of the public health, safety, and welfare, to prohibit any uses that may be in conflict with a contemplated zoning proposal that the City is considering or intends to study within a reasonable time.

As described in the ordinance, the moratorium was intended to provide the City time to study the effect of medical marijuana dispensaries on the community, and to