



## Notice of Regular Meeting

### ECONOMIC DEVELOPMENT COMMISSION

**Thursday, June 14, 2018 4:00 P.M.**

City Manager's Conference Room  
300 Forest Avenue, Pacific Grove, CA

- 1) Call to Order / Roll Call**
- 2) Approval of Agenda**
- 3) Commissioner and Council Liaison Announcements**
- 4) Public Comments**

*(Comments from the audience cannot receive Commission action. Comments must deal with matters subject to the jurisdiction of the Commission and will be limited to three minutes. Whenever possible, letters are to be submitted to the Commission in advance of the meeting.)*

**5) Approval of Minutes**

- a) May 10, 2018 (**Attachment A, page 2**)

**6) Unfinished/Ongoing**

- a) **Business Walk May 17, 2018 Update (Attachment B, page 4).** Reference: *Jacquie Atchison*
- b) **Review financial statement and distribute funds as available.** Reference: *Jacquie Atchison*
- c) **Update on concern of storefronts blocking their windows.** Reference: *Moe Ammar*
- d) **Update on Restricted Ground Floor Businesses.** Reference: *Mark Brodeur*

**7) New Business**

- a) **Review cost of services (user fee) study** – discuss and take action, if necessary (**Attachment C, page 6**). Reference: *Rudy Fischer/Moe Ammar*

**8) Reports**

- a) **BID and Chamber Report.** Reference: *Moe Ammar*
- b) **Economic Development Report.** Reference: *Mark Brodeur*

**Next meeting:** July 12, 2018 4:00pm

**Adjournment**

THIS MEETING IS OPEN TO THE PUBLIC AND ALL INTERESTED PERSONS ARE WELCOME TO ATTEND. THE CITY OF PACIFIC GROVE DOES NOT DISCRIMINATE AGAINST INDIVIDUALS WITH DISABILITIES AND MEETINGS ARE HELD IN ACCESSIBLE FACILITIES.



## Minutes - DRAFT

ECONOMIC DEVELOPMENT COMMISSION

**Thursday, May 10, 2018 4:00 P.M.**

City Manager's Conference Room  
300 Forest Avenue, Pacific Grove, CA

### 1) Call to Order / Roll Call

**Present:** Chair Atchison, Vice Chair Addeman, Secretary McGrath, Marietta Bain, Julie Davis, Willy Nelson, Phillip Benson, Moe Ammar, Alan Cohen

**Absent:** Richard Stillwell, Mayor Bill Kampe

### 2) Approval of Agenda

Motion to approve by Nelson, seconded by Cohen, passed unanimously

### 3) Commissioner and Council Liaison Announcements

None

### 4) Public Comments

None

### 5) Approval of Minutes

April 12, 2018 Motion to approve with addition of 4000.00 approved for wayfinding sign by Davis, seconded by Cohen; passed unanimously

### 6) Unfinished/Ongoing

**a) Business Walk May 17, 2018:** Reference: Jacquie Atchison Business walk May 17<sup>th</sup> 9:30 to 12:00  
Additional questions to ask: Façade Improvement for Lighthouse Businesses  
Marketing that is currently being used to promote business

**b) Branding Pacific Grove:** Branding has not been supported by the city council. Mark to take a \$40,000 budget for branding to council to be approved for the 2018 – 19 Fiscal year. We will revisit in July when we know if the budget is there.

Ammar is meeting with Marketing students from Middlebury Institute of International Studies. Possibility for them to do a marketing study with visitors in Fall 2018.

### 7) New Business

**a) Recommendation to City Council to prohibit storefronts blocking their windows for a set timeline.** Moe Ammar noted several businesses (or storefronts) that have been shuttered or covered with paper for a very long time. There is currently no ordinance on the books that prohibits this. He has approached one building owner with no response. Mark will visit the business and ask for something to be placed in the windows (staging or products) so that it doesn't look vacant. If that doesn't work, Moe will send a letter on behalf of the BID.

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## 8) Reports

### a) **BID and Chamber Report** *Reference: Moe Ammar*

- Moe reported that flower baskets and wayfinding sign have been ordered.
- There will be a class to help people make their websites ADA compliant
- There was a study done for city services by Matrix, and as an example a sign permit that they charge 980.00 actually costs the city 2241.00. Questions were raised about the validity of the time it takes to process permits and how it is not “business-friendly.”
- In 2011 there was a plan to bring people from the rec trail into downtown with a small park at Grand and Ocean view with wayfinding signs and a marked ‘trail’ to downtown. As of now everything but the park has been scrapped. The intent of this project was to bring people into downtown and now, no wayfinding or trail will be done.

### b) **Economic Development Report and Update on Changing Minimum Requirements for Drinking Establishments** *Reference: Mark Brodeur*

- The only thing being changed from our recommendation is adding brew pub. All other suggestions were scrapped.
- Suggestions for restrictions on ground floor uses will be on the Planning commission agenda for May 17. They seem supportive of the recommendations of the EDC.

**Next meeting:** June 14, 2018 4:00pm

**Adjournment 5:32pm**

**Respectfully Submitted by Kirsten McGrath Secretary EDC**



# PACIFIC GROVE BUSINESS WALK 2018

## Economic Development Commission



The City of Pacific Grove’s Economic Development Commission conducted a “Business Walk” on Thursday, May 17, 2018. Along with the Commissioners, the group included local business owners, residents and city and chamber officials. These volunteers visited businesses in Pacific Grove’s five business districts – Downtown, Foresthill, American Tin Cannery, Sunset Avenue, and Central Avenue to learn more about our local businesses and how we can help them strengthen and promote their business. The volunteers visited over 100 businesses in the city and were successful in interviewing 95 of them, and we received 24 responses via online survey.

Visits by Industry	2018	2016	2015
<i>Retail</i>	45%	44%	44%
<i>Food &amp; Beverage</i>	22%	21%	21%
<i>Industrial</i>	5%	7%	7%
<i>Office</i>	6%	5%	4%
<i>Other*</i>	22%	23%	24%

(\*dry cleaners, salons, pet grooming, etc)

Visits by Business Districts	2018	2016	2015
<i>Downtown</i>	48%	58%	53%
<i>Foresthill</i>	33%	12%	12%
<i>American Tin Cannery</i>	10%	16%	18%
<i>Sunset Avenue</i>	5%	9%	11%
<i>Central Avenue</i>	4%	5%	6%

**The conversations focused on three basic questions: (1) “How is Business?” (2) “What do you like about doing business in Pacific Grove?” and (3) “What can the City do to help you succeed?”**

### Question 1: How is Business?

When asked how their business was doing currently, forty-three percent (43%) responded that their business was good/increasing, compared to 47% in 2016 and 54% in 2015. Thirty-seven percent (37%) of the businesses interviewed stated that their business is fair/steady, but could be better, compared to 34% in 2016 and 31% in 2015. Finally, 20% stated that their business was slow/poor, compared to 19% in 2016 and 15% in 2015.



### How is Business, by District:

	Downtown			Foresthill			ATC			Sunset			Central		
	2018	2016	2015	2018	2016	2015	2018	2016	2015	2018	2016	2015	2018	2016	2015
<b>G/I</b>	46%	43%	55%	39%	63%	56%	17%	29%	25%	83%	62%	71%	50%	57%	67%
<b>F/S</b>	34%	39%	36%	45%	37%	31%	42%	24%	35%	0%	30%	15%	50%	14%	25%
<b>S/P</b>	20%	18%	9%	16%	0%	13%	42%	47%	40%	17%	8%	14%	0%	29%	8%

\*G/I = Good/Increasing; F/S = Fair/Steady; S/P = Slow/Poor

## Question 2: What do you like about doing business in Pacific Grove?

41% of businesses reported that “Clientele” was the most important factor to having their business in PG, noting loyal customers. The next highest reason (35%) for working or owning a business in Pacific Grove, was the location – “Pacific Grove is beautiful!”

## Question 3: What can the city do to improve business in Pacific Grove?

Since our first Business Walk in 2015, this is the first time that we have heard several concerns about the lack of affordable housing in PG, contributing to a difficulty in hiring and/or keeping qualified employees.

Several businesses suggested more events, live music and outdoor dining to draw more people to PG.

Once again, one of the most common request from all business districts was for more advertising and marketing of Pacific Grove to increase foot traffic and visitors. Many businesses noted that many of their customers are non-residents of PG. Signage and parking/traffic are also areas that need improvement in Pacific Grove. And we are still hearing requests for a vibrant night life in Pacific Grove.

### Additional comments:

- Good Old Days is great/not good for downtown businesses.
- Shopowners should take pride in the windows and improve their displays, leave night lights on, stay open later, especially on First Friday.
- We need a better mix of retail downtown – no more real estate offices!
- Longer parking in downtown; parking for employees.
- Country Club Gate should have events in Shopping Center.
- Beautify/clean the city, more flowers along sidewalks, wider sidewalks and more lighting all along Lighthouse and side streets/parking lots.
- Empty storefronts need displays, not paper covering the windows.
- Need street lamps on Sunset/crosswalk at Asilomar and Sunset.
- Unfortunately we are becoming known as a town of thrift stores and consignment collectives...offering mostly pre-owned goods. Rents are rising and the rent of cubicles is the only way many shop owners can afford it, so that’s what we’re attracting. This is one of the reasons locals don’t shop downtown.
- The quality of the stores needs to be greatly improved. There are far too many thrift stores. I think Pacific Grove would have a much greater draw with visitors if more interesting business could convinced to open store fronts in PG.
- More support for retailers—contrary to popular belief it does not dribble down from support of lodging and restaurants! Great need to find a way to get more locals shopping in town—consistently.
- Our business is down about 20% from last year, I believe due to Holman building construction?? We love it here and will stay at this location as long as possible
- We need more night life to bring in an assortment of clientele, maybe a wine tasting room, a brewery and nice boutiques instead of physical therapy and thrift stores.
- American Tin Cannery needs to update the building and bring in more retail shops.
- I really appreciate the measures of slowing down traffic in the last few years. I feel like Pacific Grove is developing in a way that is attracting newer families to the area which is a great thing.
- We appreciate the EDC's reaching out and supporting the small business community of Pacific Grove.



## Cost of Services (User Fee) Study

Fee Name	Current Fee	Total Cost Per Unit	Surplus / (Deficit) Per Unit
Digital Production – CD, DVD, Flash drives for PRA information requests and presentations at meetings by the public (City will not allow the use of flash drives provided by the public for reasons of virus protection)	Actual Cost	Actual Cost	N / A
Notary fees (per signature) *Unless otherwise specified in Government Code 8211	\$15 per signature	\$15 per signature	\$0
Appeal Fee (Beautification, Traffic Commission, all others not listed elsewhere)	\$36.00	\$39.00	(\$3)
Annual Subscription Service: Agenda and Minutes	\$25	\$113	(\$88)
Returned check processing (per item)	\$23	\$25.00	(\$2)
<b>Credit Card Payment Processing Fee</b>			
\$1.00 - \$50.00	\$2	\$2.00	
\$51.00 - \$100.00	\$3	\$3.00	
\$101.00 - \$200.00	\$5	\$5.00	
\$201.00 - and up @4% of charged amount	4% of charged amount	4% of charged amount	N / A
Copy of Annual Budget or Annual Financial Report	\$0.25 per page+ \$3	Actual Cost	N / A
<b>Business License Administration Fee, per License</b>			
If paid by August 1 (on time payment/standard)	\$20	\$39	(\$19)
If paid after August 1 (late payment)	\$40	\$39	\$1
<b>City Hall Facility Rental Fees:</b>			
Security Deposit (SECURITY)	\$57	\$57	\$0
Clean-up Fee	\$58	Actual Cost	\$0
Special Audio Visual Equipment Use Deposit	\$234	\$234	\$0
Council Chambers - first four hours of use / per hour after four hours	\$118 / \$32	\$123 / \$31	(\$5) / \$1
Forest Avenue Conference Room - first four hours/ per hour after four hours	\$32 / \$10	\$49 / \$12	(\$17) / (\$2)
City Manager Conference Room - first four hours / per hour after four hours	\$80 / \$22	\$99 / \$25	(\$19) / (\$3)
<b>Fuel sales to outside agencies</b>	Cost+ 10%	Cost + 10%	N / A
The City may, at its discretion, choose to apply a late payment fee to outstanding amounts due to the City that remain unpaid thirty days after the due date. The penalty will be set at 10% of the amount owed, but no less than \$25.	Min. \$25	Min. \$25	N / A

As the table above indicates the City is either charging the maximum allowable within state statutes, or choosing to charge actual cost for reproduction services, which is the typical norm and best management practice for those types of services. In other areas there is under-recovery such as Business Licenses, and slight over-recovery for City Hall

rentals. The city should review these fees and determine where appropriate to increase these fees.

### 3 ANNUAL REVENUE IMPACTS

General Administration services is currently under-recovering its fee-related costs associated with its services by approximately \$33,000. The following table shows the annual workload volume for FY 16/17, projected revenue at current fee, projected annual cost, and associated surplus / (deficit).

**Table 6: General Administration Services – Annual Results**

Fee Name	Annual Volume	Revenue at Current Fee - Annual	Total Cost - Annual	Surplus / (Deficit) - Annual
Appeal Fee (Beautification, Traffic Commission, all others not listed elsewhere)	3	\$108	\$118	(\$10)
Annual Subscription Service: Agenda and Minutes	28	\$700	\$3,170	(\$2,470)
Returned check processing (per item)	5	\$115	\$125	(\$10)
Credit Card Payment Processing Fee				
\$1.00 - \$50.00	250	\$500	\$500	\$0
\$51.00 - \$100.00	168	\$504	\$504	\$0
\$101.00 - \$200.00	378	\$1,890	\$1,890	\$0
Business License Administration Fee, per License	-	\$0	\$0	\$0
If paid by August 1 (on time payment/standard)	1,566	\$31,320	\$61,792	(\$30,472)
<b>TOTAL</b>		<b>\$35,137</b>	<b>\$68,099</b>	<b>(\$32,962)</b>

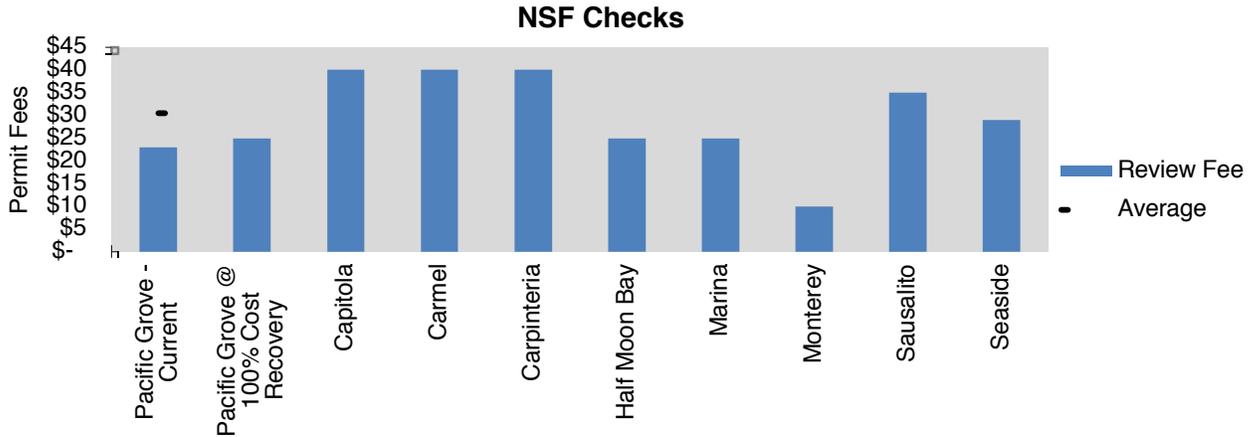
As the table above indicates, the City of Pacific Grove is recovering approximately 52% of its costs related to general and administrative services. The primary source of this subsidy is Business License Payments, which accounts for approximately 92% of this subsidy. Therefore, at a minimum the fee for Business Licenses should be evaluated to ensure that there is the ability for greater cost recovery.

### 4 JURISDICTIONAL COMPARISON

As part of this study, the City wished to understand how their current fees and total cost compared to other local jurisdictions. The following subsection provides a comparative look at two common General and Administrative Services.

## 1 NSF Check – 1<sup>st</sup> returned check

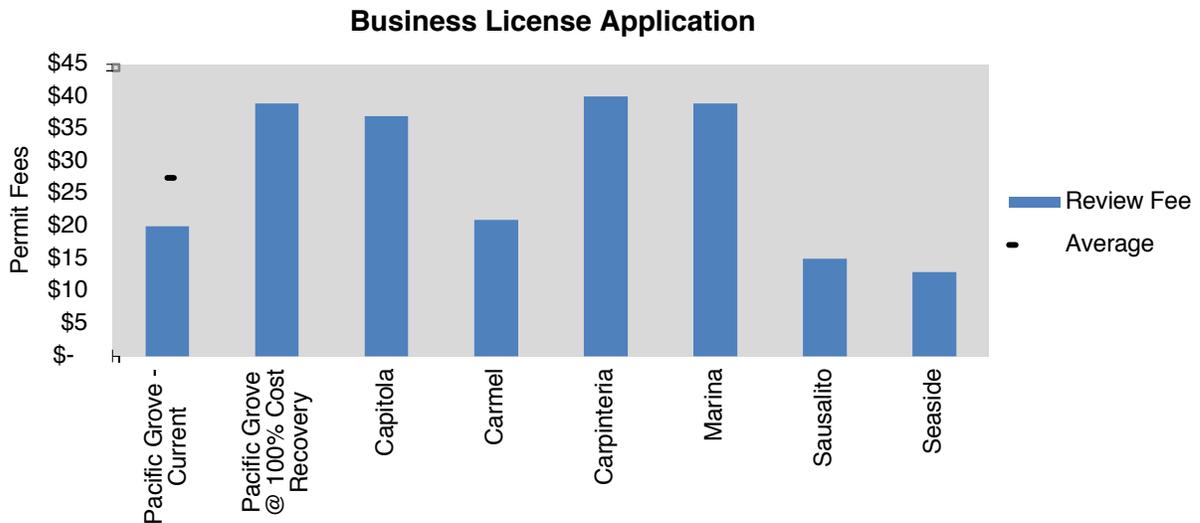
The City of Pacific Grove is currently charging \$23 for returned check processing, under the state code, it is allowable to charge \$25 for the first check returned and \$35 for the subsequent check returned. The following graph shows how the Department’s current fee and total cost compare to other local jurisdictions.



As the graph above indicates the City of Pacific Grove’s current and full cost fees are below the average of \$31 charged by other surrounding jurisdictions.

## 2 Business License Application Fee

The City of Pacific Grove is currently charging \$20 for a Business License Application, whereas the study calculated the cost at \$39. The following graph shows how the Department’s current fee and total cost compare to other local jurisdictions.



As the graph above indicates the City’s current fee of \$20 is below the average of \$28 charged by other surrounding jurisdictions. Additionally, its full cost of \$39 is in line with fees charged by Capitola, Carpinteria, and Marina.

**Cost of Services (User Fee) Study**

following table details the title / name, current fee, total cost, and surplus or deficit associated with each Planning permit.

**Table 12: Total Cost Per Unit Results – Planning**

Fee Name	Current Fee	Total City Cost	Surplus / (Deficit) per Unit
<b>SUBDIVISIONS</b>			
Tentative Tract Map - Base	\$6,130	\$2,195	\$3,935
Tentative Tract Map - Per Lot	\$250	\$266	(\$16)
Final Tract Map - Base + Recording Fee	\$6,130	\$2,195	\$3,935
Final Tract Map - Per Lot	\$250	\$340	(\$90)
Lot Line Adjustment	\$2,010	\$1,811	\$199
Final Parcel Map (plus recording fees)	\$3,010	\$1,919	\$1,091
Tentative Parcel Map - Base	\$3,010	\$1,919	\$1,091
Lot Mergers	\$2,010	\$1,824	\$186
Certificate of Compliance (Min. fee plus hourly fee if more than 12 hours required plus applicable attorney fees)	\$2,010	\$1,781	\$229
<b>ENVIRONMENTAL REVIEW</b>			
Environmental Impact Report (EIR). (60 hours) Additional time at hourly rate plus all publishing and noticing costs.	\$5,700	\$11,078	(\$5,378)
Exemption	\$50	\$266	(\$216)
Initial Studies/Mitigated Negative Declaration	\$4,215	\$5,896	(\$1,681)
Mitigation Monitoring	\$1,270	\$4,346	(\$3,076)
Negative Declaration Addendum	\$1,270	\$4,346	(\$3,076)
<b>USE PERMITS</b>			
Use Permit and Amendments -Single Family	\$3,000	\$1,753	\$1,247
Use Permit and Amendments -Multi-Family, Commercial, Institutional, all other uses (Actual cost -Minimum fee plus hourly fee)	\$3,385	\$2,858	\$527
Interpretations of Permitted Uses Lists	\$1,920	\$1,177	\$743
Major administrative use permits	\$1,325	\$1,133	\$192
Minor administrative use permits	\$1,085	\$1,147	(\$62)
Administrative Home Sharing use permit	\$425	\$370	\$55
<b>ARCHITECTURAL REVIEW</b>			
Architectural Permit -Single Family	\$3,115	\$2,921	\$194
Architectural Permit -Multi-Family four units or less	\$3,500	\$3,573	(\$73)
Architectural Permit - Multi-Family five units or more	\$3,500	\$4,031	(\$531)
Architectural Permit - Multi-Family five units, plus per unit	\$850	\$1,554	(\$704)
Architectural Permit - Commercial, Industrial, Institutional, all others. 10,000 sq. ft or less	\$3,500	\$3,020	\$480
Architectural Permit - Commercial, Industrial, Institutional, all others. 10,001-50,000 sq. ft.	\$5,000	\$4,482	\$518
Architectural Permit - Commercial, Industrial, Institutional, all others. 50,001-100,000 sq. ft.	\$10,000	\$9,053	\$947
Architectural Permit - Commercial, Industrial, Institutional, all others. Over 100,000 sq. ft.	\$15,000	\$11,525	\$3,475
Administrative Architectural Permit	\$820	\$1,406	(\$586)
Administrative Design Change	\$820	\$1,406	(\$586)
<b>COUNTER REVIEW PERMITS</b>			

**Cost of Services (User Fee) Study**

Fee Name	Current Fee	Total City Cost	Surplus / (Deficit) per Unit
Counter Review & Determination - no new square footage (Plus hourly fee if more than 1/2 hour required)	\$60	\$212	(\$152)
Counter Review & Determination - new square footage (Plus hourly fee if more than 3 hours required)	\$350	\$856	(\$506)
Zoning Confirmation for Business License Permit	\$60	\$142	(\$82)
<b>SIGN PERMITS</b>			
Sign Permit Downtown	\$490	\$1,094	(\$604)
Sign Permit	\$980	\$2,241	(\$1,261)
Administrative Sign Permit	\$335	\$1,241	(\$906)
<b>HISTORIC REVIEW</b>			
Historic Demolition Permit	\$4,015	\$4,593	(\$578)
Off-site relocation permit	\$4,015	\$4,593	(\$578)
Historic Resources Inventory Determinations (Additions/Deletions)	\$1,600	\$1,756	(\$156)
On-site relocation permit	\$1,645	\$2,297	(\$652)
Historic Preservation Permit	\$1,270	\$1,660	(\$390)
Initial Historic Screening	\$420	\$915	(\$495)
<b>VARIANCES</b>			
Variances and Amendments	\$3,380	\$2,438	\$942
Administrative Variances and Amendments	\$1,325	\$1,395	(\$70)
<b>STORMWATER</b>			
Tier 1 - 2,500-5,000 square feet impervious surface	\$295	\$646	(\$351)
Inspection Fee	\$205	\$120	\$85
Annual Inspection and re-inspection	\$205	\$181	\$24
Each subsequent Tier 1 review	\$145	\$285	(\$140)
<b>APPEALS</b>			
Appeals of enforcement and zoning ordinance interpretations	\$1,800	\$2,334	(\$534)
<b>TRANSIENT USE LICENSES</b>			
Application Review & Inspection - 1st time	\$485	\$363	\$122
Application to Renew Licenses Annual	\$160	\$223	(\$63)
Type A License Annual	\$1,035	\$599	\$436
Home Sharing License Annual	\$260	\$167	\$93
Transient License Change or Reprint Fee	\$6	\$28	(\$22)
<b>CODE ENFORCEMENT</b>			
Abandoned Property Registration Fee	\$160	\$196	(\$36)
Investigation fees, Code violations (Actual Cost)	\$210	\$350	(\$140)
<b>VACANT PROPERTIES [2]</b>			
Inspection per property (min. or actual cost)	\$170	\$147	\$23
Registration per property	\$130	\$147	(\$17)
<b>MISCELLANEOUS</b>			
Animal Keeping Permit	\$185	\$656	(\$471)
Density bonus	\$2,010	\$1,993	\$17
General File Research	\$55	\$56	(\$1)
Hourly Fee	\$95	\$115	(\$20)
Inquiry Fee	\$145	\$320	(\$175)
Miscellaneous Project Review/Document Preparation	\$210	\$204	\$6
Outdoor Sidewalk Dining Permit Application		\$386	
Pre-Application Meeting / Preliminary Project Review	\$210	\$229	(\$19)
Rental Property Registration	\$125	\$210	(\$85)

Table 13: Annual Results – Planning

Fee Name	Annual Volume	Revenue at Current Fee	Total Cost	Surplus / (Deficit)
<b>SUBDIVISIONS</b>				
Lot Line Adjustment	1	\$2,010	\$1,811	\$199
Final Parcel Map (plus recording fees)	1	\$3,010	\$1,919	\$1,091
<b>ENVIRONMENTAL REVIEW</b>				
Environmental Impact Report (EIR). (60 hours) Additional time at hourly rate plus all publishing and noticing costs.	3	\$17,100	\$33,233	(\$16,133)
Initial Studies/Mitigated Negative Declaration	2	\$8,430	\$11,792	(\$3,362)
Mitigation Monitoring	1	\$1,270	\$4,346	(\$3,076)
<b>USE PERMITS</b>				
Use Permit and Amendments -Single Family	3	\$9,000	\$5,260	\$3,740
Use Permit and Amendments -Multi-Family, Commercial, Institutional, all other uses (Actual cost -Minimum fee plus hourly fee)	1	\$3,385	\$2,858	\$527
Major administrative use permits	5	\$6,625	\$5,667	\$958
Minor administrative use permits	2	\$2,170	\$2,294	(\$124)
<b>ARCHITECTURAL REVIEW</b>				
Architectural Permit -Single Family	29	\$90,335	\$84,708	\$5,627
Architectural Permit - Commercial, Industrial, Institutional, all others. 10,000 sq. ft or less	1	\$3,500	\$3,020	\$480
Administrative Architectural Permit	20	\$16,400	\$28,127	(\$11,727)
Administrative Design Change	4	\$3,280	\$5,625	(\$2,345)
<b>COUNTER REVIEW PERMITS</b>				
Counter Review & Determination - no new square footage (Plus hourly fee if more than 1/2 hour required)	85	\$5,100	\$18,051	(\$12,951)
Counter Review & Determination - new square footage (Plus hourly fee if more than 3 hours required)	159	\$55,650	\$136,096	(\$80,446)
<b>SIGN PERMITS</b>				
Sign Permit	1	\$980	\$2,241	(\$1,261)
Administrative Sign Permit	1	\$335	\$1,241	(\$906)
<b>HISTORIC REVIEW</b>				
Historic Preservation Permit	4	\$5,080	\$6,639	(\$1,559)
Initial Historic Screening	35	\$14,700	\$32,023	(\$17,323)
<b>STORMWATER</b>				
Tier 1 - 2,500-5,000 square feet impervious surface	1	\$295	\$646	(\$351)
<b>TRANSIENT USE LICENSES</b>				
Application Review & Inspection For a Type A License - 1st time	69	\$33,465	\$25,079	\$8,386
Application to Renew Type A and B Licenses Annual	285	\$45,600	\$63,454	(\$17,854)
<b>MISCELLANEOUS</b>				
Animal Keeping Permit	3	\$555	\$1,969	(\$1,414)
Hourly Fee	3	\$285	\$344	(\$59)
Pre-Application Meeting / Preliminary Project Review	1	\$210	\$229	(\$19)
Accessory Dwelling Unit/Second Unit Permit application	2	\$3,000	\$3,412	(\$412)
Tree Permit with Development	3	\$825	\$779	\$46
<b>TOTAL</b>		<b>\$332,595</b>	<b>\$482,861</b>	<b>(\$150,266)</b>

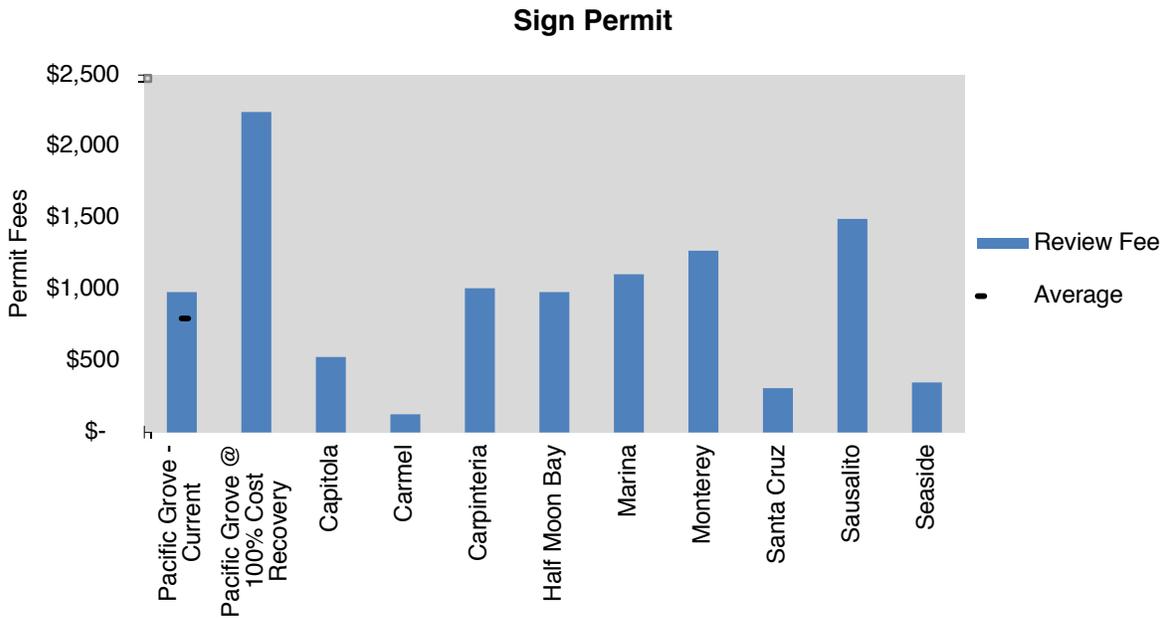
Overall, the Planning Division is recovering approximately 69% of its service related costs. The largest source of the City’s deficit relates to Counter Review & Determination – New Square Footage, which is costing the City approximately \$80,446 in the last fiscal year. This subsidy represents approximately 47% of the Division’s overall deficit. The largest over-recovery relates to Transient Use Licenses for Type A (\$8,386).

## 4 JURISDICTIONAL COMPARISON

As part of this study, the City wished to understand how their current fees and total cost compared to other similar sized and regionally located jurisdictions. The following subsection provides a comparative look at three common Planning reviews and services.

### 1 Sign Permit

The City is currently charging \$980 for a Sign Permit. This study has assessed the full cost of providing these permits at \$2241, resulting in a \$1,261 deficit. While the City only issued one of these permits in FY 16/17, sign permits are fairly common across jurisdictions. The following graph shows how the Department’s current fee and total cost compare to other local jurisdictions.



As the above graph highlights, the City is currently just above the average of comparable jurisdictions (\$798) for its current fee, and well above the average for the full cost of providing the service. Carmel currently has the lowest permit fee at \$129, while Sausalito has the highest of surveyed jurisdictions at \$1,493.

## Cost of Services (User Fee) Study

Fee Name	Current Fee	Total City Cost	Surplus / (Deficit) per Unit
Contractor's Parking Permit, Monthly	\$35	\$60	(\$25)
Public Parking Lot Permit, Annual	\$330	\$107	\$223
Public Parking Lot Permit, 12-Month, TRANSFERABLE	\$420	\$107	\$313
Public Parking Lot Permit, Quarterly	\$100	\$53	\$47
Public Parking Lot Permit, Monthly	\$35	\$27	\$8
Residential Parking Permit Processing, per permit, Annual	\$10	\$27	(\$17)
<b>MISCELLANEOUS PERMITS &amp; DEPOSITS</b>			
Amplified sound permit	\$31	\$113	(\$82)
Concealed Weapon Permit- Annual Renewal	\$25	\$322	(\$297)
Concealed Weapon Permit- Processing and Testing (Issuance)	\$115	\$893	(\$778)
Firearms Storage: Administrative Release Fee	\$45	\$374	(\$329)
Garage Sale Permit Processing	\$6	\$10	(\$4)
Refuse Container or Storage Container Permit	\$35	\$69	(\$34)
Refuse Container or Storage Container Permit Renewal/Extension	\$35	\$25	\$10
Transportation of Large Structure deposit - variable fee based on size/type of structure	\$0	\$188	(\$188)
Oversize Vehicle Registration	\$0	\$21	(\$21)
<b>NEW FEES</b>			
Live Scan - Fingerprint Processing - No Billing Code ** Does not include DOJ/FBI Fees**	New	\$80	N / A
Temporary Overnight Parking Permit Program - Initial Resident Registration	New	\$22	N / A
Temporary Overnight Parking Permit - 72 Hour Resident Permit	New	\$4	N / A
Temporary Overnight Parking Permit - Weekly - Exemption	New	\$83	N / A
Massage Permit	New	\$22	N / A
Single Drone Permit Fee	New	\$73	N / A
Annual Drone Permit Fee	New	\$73	N / A

The majority of the fees relating to Police permit and licenses are under-recovering, with roughly 78% of the permits showing an under-recovery. The greatest deficit (\$778) relates to concealed weapons permits, while the largest surplus (\$431) relates to commercial breeding permits for dogs. The average per unit deficit is approximately \$109, while the average surplus is about \$101.

### 3 ANNUAL REVENUE IMPACTS

The Police Department is currently under-recovering its fee-related costs associated with permits and licenses by approximately \$28,500. The following table shows the annual workload volume for FY 16/17, projected revenue at current fee, projected annual cost, and the associated annual deficit.

**Table 18: Annual Results – Police**

Fee Name	Recoverable Volume	Revenue at Current Fee	Total Cost	Surplus / (Deficit)
Correctable Vehicle Code Violation- Admin Fee	59	\$590	\$2,667	(\$2,077)
<b>ANIMAL REGULATION -DOG LICENSES - PGMC § 10.04.010</b>				
Dog License Fee (1-12 Months) Altered Dog	269	\$4,035	\$12,231	(\$8,196)
<b>ADMINISTRATIVE AND MISCELLANEOUS</b>				
Accident Report, Compilation and Copying (per report)	95	\$950	\$3,023	(\$2,073)
Clearance Letter - No Record on File	13	\$299	\$414	(\$115)
Crime Report, Compilation and Copying (per report)	84	\$840	\$4,930	(\$4,090)
Information Report, Compilation and Copying (per report)	11	\$55	\$350	(\$295)
Fingerprint Processing (Live Scan administration)	15	\$375	\$955	(\$580)
Stored Vehicle Fee	26	\$3,120	\$5,338	(\$2,218)
<b>MISCELLANEOUS PERMITS &amp; DEPOSITS</b>				
Amplified sound permit	94	\$2,914	\$10,645	(\$7,731)
Garage Sale Permit Processing	105	\$630	\$1,069	(\$439)
Refuse Container or Storage Container Permit	21	\$735	\$1,447	(\$712)
Oversize Vehicle Registration	1	\$0	\$21	(\$21)
<b>TOTAL</b>		<b>\$14,543</b>	<b>\$43,090</b>	<b>(\$28,547)</b>

The under-recovery shown in the table above represents a 34% cost recovery level. The two largest sources of the City’s deficit relate to altered dog licenses (\$8,196) and amplified sound permits (\$7,731). These two permit types account for roughly 56% of the overall subsidy associated with Police services.

## 4 JURISDICTIONAL COMPARISON

As part of this study, the City wished to understand how their current fees and total cost compared to other similar sized and regionally located jurisdictions. The following subsection provides a comparative look at the two Police fees which comprise the City’s largest deficit: dog license and amplified sound permit, as well as Citation Sign Offs and Film Permits.

### 1 Animal Regulation – Dog License - Altered

The City is currently charging \$15 for a dog license for altered dogs. This study has assessed the full cost of providing these reviews at \$45, resulting in a \$30 deficit. In FY 16/17 the Department issued approximately 269 of these licenses, which resulted in a subsidy of \$8,196. The graph on the following page shows how the Department’s current fee and total cost compare to other local jurisdictions.

## 15. PUBLIC WORKS

The Public Works Department oversees maintenance and operations of City owned facilities and infrastructure, as well as the design, planning, construction, or repair of the City’s Capital Improvement Projects. The Department is also responsible for maintaining all City owned vehicles, municipal roads, culverts and basins, street lighting and street signs. The majority of the services provided by Public Works staff are general functions relating to City services, as Building staff handle all Engineering related reviews and inspections. However, the Department does charge out for services relating to special traffic markings, banner installations, memorial benches and trees, and tree permits. Additionally, the Department also rents out various equipment on a per hour basis.

### 1 MISCELLANEOUS SERVICES – PER UNIT RESULTS

The Public Works Department collects fees for permits relating to a variety of services. The total cost calculated for each permit includes direct staff costs, direct material costs (where applicable), Departmental and Citywide overhead. The following table details the title / name, current fee, total cost, and surplus or deficit associated with each Miscellaneous Public Works service.

**Table 19: Total Cost Per Unit Results – Public Works**

Fee Name	Current Fee	Total City Cost	Surplus / (Deficit) per Unit
Requested Special Traffic Marking Review (per hour with a 1-hour minimum)	\$154	\$114	\$40
Banner Installation and Removal (Downtown Street Lights) per pole	\$16	\$49	(\$33)
Memorial Bench (Construction and installation included.)	\$368	\$376	(\$8)
Memorial Bench maintenance (5. years)	\$275	\$486	(\$211)
Memorial tree	\$550	\$491	\$59
Arborist report - City/Public Properties Only	\$234	\$159	\$75
Annual Solid Waste Exemption Application	\$200	\$80	\$120
Tree Appeal	\$89	\$198	(\$109)

The City is currently over-recovering for four of its miscellaneous services, with the largest surplus relating to the Annual Solid Waste Exemption Application. The other surplus of the Memorial Tree, also reflects only the staff cost for installing the tree, and not the actual cost of the tree. The current and full cost for the Memorial Bench does not reflect the cost of materials associated with the bench. The City should consider charging actual cost for the materials used for the Memorial Bench, to ensure that the true cost of the bench is being recovered.

## 2 MISCELLANEOUS SERVICES – ANNUAL REVENUE IMPACTS

The Public Works Department is currently under-recovering its fee-related costs associated with permits and services by approximately \$52,000. The following table shows the annual workload volume for FY 16/17, projected revenue at current fee, projected annual cost, and the associated annual deficit.

**Table 20: Annual Results – Public Works**

Fee Name	Recoverable Volume	Revenue at Current Fee	Total Cost	Surplus / (Deficit)
Banner Installation and Removal (Downtown Street Lights) per pole	300	\$4,800	\$14,587	(\$9,787)
Memorial Bench (Construction and installation included.)	1	\$368	\$376	(\$8)
Memorial Bench maintenance (5. years)	200	\$55,000	\$97,246	(\$42,246)
Annual Solid Waste Exemption Application	1	\$89	\$198	(\$109)
<b>TOTAL</b>		<b>\$60,257</b>	<b>\$112,406</b>	<b>(\$52,149)</b>

The majority of the miscellaneous services provided by Public Works staff relate to banner installations and maintenance of memorial benches, accounting for nearly the entire deficit shown for Public Works. As discussed in the previous section, the surplus for Memorial benches is due to the total cost not accounting for the actual cost of materials associated with the Memorial Bench.

## 3 EQUIPMENT USE COST RECOVERY CHARGES

The Public Works Department provides equipment for cost recovery purposes on an hourly or daily basis. The following table provides a list of the current equipment for rent, as well as the rates.

**Table 21: Annual Results – Public Works**

Equipment Type	Rate
One-ton dump truck per hour	\$89
Backhoe per hour	\$112
Half-ton truck per hour	\$58
Trailer, 4 ft. x 8 ft. - per day	\$23
Compressor per hour	\$52
One-ton truck per hour	\$64
Grader per hour	\$147
Loader per hour	\$147
Five-ton truck per hour	\$76
Hydro Cleaner per hour	\$94
Hydro Vac Cleaner per hour	\$128
Standard size barricade, each per day (\$100 deposit required.)	\$3
Four-foot delineator, each per day (\$100 deposit required.)	\$4
Eight-foot barricade, each per day (\$100 deposit required.)	\$11
18-inch traffic cone, each per day (\$100 deposit required.)	\$3

Equipment Type	Rate
24-inch traffic cone, each per day (\$100 deposit required.)	\$3
Temporary Directional Signage Per Day	\$3
Temporary Parking Signage Per Day	\$2

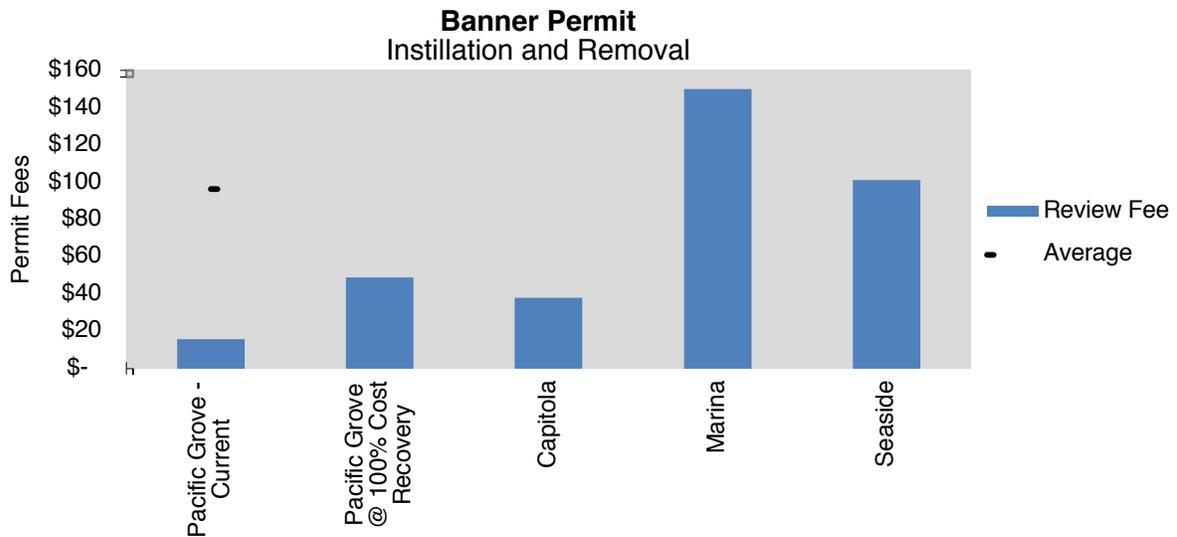
The City does not currently have sufficient vehicle or equipment data, and therefore updated rental rates could not be calculated. Once the City documents their vehicles and equipment, and can outline costs, annual life, and estimated hours, new hourly or daily rates can be developed. In the interim, it is the project team’s recommendation that the City consider either adopting the FEMA or CalTrans equipment rate schedule to ensure a more standardized use of equipment hourly rates.

#### 4 JURISDICTIONAL COMPARISON

As part of this study, the City wished to understand how their current fees and total cost compared to other similar sized and regionally located jurisdictions. The following subsection provides a comparative look at the two most voluminous Public Works fees / permits.

##### 1 Banner Installation and Removal

The City is currently charging \$16 for installation and removal of banners. This study has assessed the full cost of providing these services at \$49, resulting in a \$33 deficit. In FY 16/17 the Department issued approximately 300 of these licenses, which resulted in a subsidy of \$9,787. The following graph shows how the Department’s current fee and total cost compare to other local jurisdictions.



As the graph illustrates, both the City’s current fee and full cost are below the jurisdictional comparable average of \$96. Marina has the highest permit at \$150, while Capitola has the lowest fee at \$38. Carmel, Carpinteria, Half Moon Bay, Monterey, Santa Cruz, and

Sausalito don't current issue Banner permits, however, they may account for these services through other permitted means.

## 2 Memorial Bench

The City currently charges separate fees for the construction and installation of a memorial bench (\$368), and five year maintenance of memorial benches (\$275). This study calculated the full cost of constructing and installing memorial benches at \$376, and the maintenance at \$486. It is important to note that both the current and full cost does not reflect the cost of materials associated with memorial benches. In reviewing comparable jurisdictions, only Carmel and Capitola provide memorial benches. The City of Capitola charges a flat fee of \$1,058 for a memorial bench, which includes the cost of the bench. There is no separate fee for maintenance. The City of Carmel charges \$988 per applications, plus actual costs for the bench and plaque, as well as 20% for future maintenance. If a public hearing is required, an additional fee of \$1,028 is applied.

## 5 LOCAL WATER PROJECT

The City of Pacific Grove was using approximately 100 to 125 acre-feet per year (AFY) of potable water for irrigation of the Pacific Grove Municipal Golf Links and the adjacent El Carmelo Cemetery. Currently there is a shortage of potable water within the area due to limitations on existing water supplies from the Carmel River Aquifer and Seaside Groundwater Basin. In response to this issue, the City designed and constructed a water recycling facility that diverts and treats raw sewage for local reclamation and irrigation reuse, known as the Local Water Project. The Local Water Project will provide approximately 125 AFY of non-potable water for irrigation and provide toilet flushing at two public restrooms.

As part of the cost of service study, the Public Works Department asked the project team to review annual costs associated with the Local Water Project and calculate a per acre-foot per year cost. The main expenditures associated with maintaining the Local Water Project facility are daily operations and maintenance, repayment of the City's loan, indirect support provided through the Cost Allocation Plan, and repairing / replacement costs of the equipment. The following table outlines the annual costs associated with the Local Water Project.

**Table 22: Local Water Project Annual Cost**

Cost Component	Annual Cost
Operations & Maintenance	\$285,005
Loan Repayment	\$205,000
Citywide Overhead	\$21,496
Reserve for Equipment and Rate Stabilization	\$20,361
<b>TOTAL COST</b>	<b>\$531,862</b>