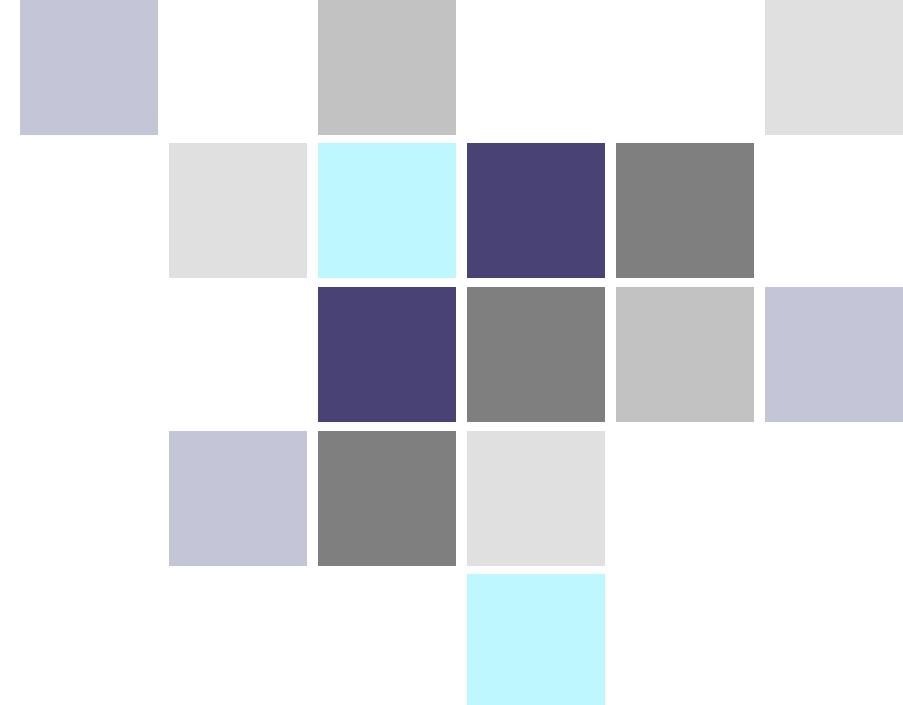


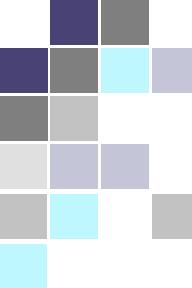
USER FEE STUDY

City of Corona, CA

City Council Presentation

September 4, 2019

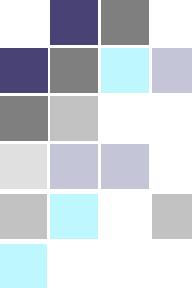




Agenda

- Background
- Fee Study Methodology
- Fee Study Goals
- Questions and Answers





MGT Consulting Group



- Public Sector Consulting Firm
- 30 + years in California
- More than 350 Studies
- Specializing in:
 - User Fee Studies
 - Cost Allocation Plans
 - SB90 Claiming

Similar Studies (Current or Recent)

- ❖ City of Anaheim
- ❖ City of Beaumont
- ❖ City of Burbank
- ❖ City of Corona
- ❖ City of Encinitas
- ❖ City of La Mesa
- ❖ City of Long Beach
- ❖ City of Newport Beach
- ❖ City of Pomona
- ❖ City of Redlands
- ❖ City of San Marcos
- ❖ City of Santa Ana
- ❖ City of Santa Monica
- ❖ City of West Hollywood
- ❖ City of Whittier
- ❖ Butte County
- ❖ El Dorado County
- ❖ Los Angeles County
- ❖ Marin County
- ❖ Monterey County
- ❖ Napa County
- ❖ Orange County
- ❖ San Mateo County
- ❖ Santa Barbara Co, Env Health
- ❖ Santa Barbara Co, Public Works

Background

- The City of Corona conducts a user fee analysis every two to three years
- Make sure fees reflect recent organizational changes and current construction demand
- Gain an understanding of the true cost of providing fee-for service activities
- Ensure continued compliance with state laws Building fee cost recovery:
 - AG 92-506: Valuation-based fees must not generate a profit
 - GC 66014: fees limited to estimated reasonable costs

Methodology

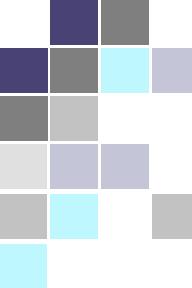
The analysis to determine the cost of providing fee-for-service activities is compromised of two basic elements:

1. Fully-burdened hourly rates of staff and/or contractors providing the service
2. Average time required to provide the service

Flat Fees: hourly rate x average time = proposed fee.

New Structure Fees and TI's: each structure type and size threshold is analyzed (hourly rate x time) to establish the estimated reasonable cost. E.g.:

- **B Office Plan Check, 5,000 sq ft, Type I-A Construction**
 - **Current Fee \$17,293**
 - **Estimated Cost: \$15,189**
 - ♦ **Proposed Fee: \$15,189**



Fee Study Goals



- Increase user-friendliness of Fee Schedule
- Restructure fees if needed
 - Remove fees that don't apply to current department activities
 - Add fees for services currently done by the City (not previously charged)
 - Change structure to best-practice formats
- Analyze cost to determine whether they are being appropriately recovered
- Move fees closer to full cost
- Provide City's decision-makers with information needed to adjust fees

Comparison: Tract Repeat Home



Repeat Tract Home: 3,000 sf

Fee	Corona Current	Corona Proposed	Ontario
Bldg Insp	\$1,239	\$1,474	\$2,674
Elect Insp	142	403	168
Mech Insp	215	333	168
Plumb Insp	459	597	168
Plan Check	1,084	953	2,542
TOTAL	<u>\$3,139</u>	<u>\$3,760</u>	<u>\$5,720</u>

Comparison: Original Model Home



Original Tract Home: 3,000 sf

Fee	Corona Current	Corona Proposed	Ontario
Bldg Insp	\$1,239	\$1,474	\$2,674
Elect Insp	142	403	168
Mech Insp	215	333	168
Plumb Insp	459	597	168
Plan Check	3,255	2,859	2,542
TOTAL	<u>\$5,310</u>	<u>\$5,666</u>	<u>\$5,720</u>



Question/Discussion