



AGENDA REPORT

Meeting Date: November 15, 2011

Item Number: D-1

To: Honorable Mayor & City Council

From: Susan Healy Keene, AICP, Director of Community Development

Subject: RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS AMENDING THE COMPREHENSIVE SCHEDULE OF TAXES, FEES & CHARGES TO ADD A MILLS ACT PILOT PROGRAM APPLICATION FEE.

Attachments: 1. Resolution

RECOMMENDATION

Staff recommends that the City Council adopt a fee resolution (Attachment 1), amending the comprehensive schedule of taxes, fees and charges to add a Mills Act Pilot Program application fee.

INTRODUCTION

The City Council established a Mills Act Pilot Program on October 18, 2011. This is a two-year program through which the City Council can enter into Mills Act contracts with up to six property owners. Adoption of the attached fee resolution will establish a fee paid by property owners for application to the Pilot Program.

DISCUSSION

State law allows the City to establish fees to recover program costs. All cities surveyed subsidize application fees. Application fees charged for each of the surveyed cities are listed below. The lowest application and contract processing fee is \$0 and up to \$2,060 for commercial properties in Pasadena.

Application Fees Charged		
Surveyed City	Property Type	Fees Charged
Pasadena	Single Family Homes	No Fee
	Multi-Family and Commercial Properties	\$2,060
Glendale	All Property Types	\$458.54
Santa Monica	All Property Types	No Fee
West Hollywood	All Property Types	\$727
Los Angeles	Single Family Homes	\$250
	Multi-Family and Commercial Properties	\$1,142

Staff estimates that the City's cost to process each application to the Mills Act Pilot Program would be approximately \$15,000 dollars, which is comparable to other commission-level applications. However, establishing a full cost recovery application fee would diminish the value gained from participating in the program and may deter some property owners from applying to the program.

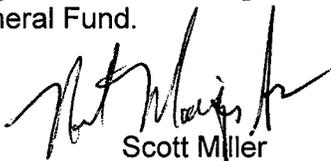
City of Beverly Hills Mills Act Pilot Program Fee

Recommended Application Fee	\$1,500.00
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Staff supports subsidizing the initial application fee up to 90% of the full cost recovery expense, or approximately \$1,500. This fee would be among the highest fees collected for single family homes compared to the surveyed cities.

FISCAL IMPACT

Staff estimates the cost to the City per application to be approximately \$15,000 dollars, which would be \$90,000 dollars to process the six applications that can be accepted into the pilot program. The attached fee resolution establishes an application fee of \$1,500 dollars per application which is 10-percent of the cost to the City. To cover the remaining cost of processing applications, the City will need to divert approximately \$12,500 dollars per application, or \$75,000 dollars for the program in total, from other programs. Processing costs will be in staff salary and will be drawn from the City's General Fund.


 Scott Miller

Chief Financial Officer
 Finance Approval

Susan Healy Keene, AICP

Director of Community Development
 Approved By



Attachment 1

RESOLUTION NO. 11-R-_____

RESOLUTION OF THE COUNCIL OF THE CITY OF
BEVERLY HILLS AMENDING THE COMPREHENSIVE
SCHEDULE OF TAXES, FEES & CHARGES TO ADD A
MILLS ACT PILOT PROGRAM APPLICATION FEE.

The Council of the City of Beverly Hills does resolve as follows:

Section 1. As set forth in Resolution 11-R-12808, the City Council has established a "Comprehensive Schedule of Taxes, Fees & Charges" for fiscal year 2010-2011. The City Council now desires to add a new application fee for participation in the City's Mills Act Pilot Program.

Section 2. The City Council hereby adopts a new fee as set forth in Exhibit A for property owners in the City that apply for participation in the City's Mills Act Pilot Program. Said fee shall be included and incorporated into the City's Comprehensive Schedule of Taxes, Fees & Charges and shall go into effect 60 days after the effective date of the resolution.

Section 3. The City Council is taking action only on that fee as set forth in Exhibit A. The remaining taxes, fees, City service charges, and other fees, charges, extractions and required payments for municipal services, inspections, enforcement activities or for other indicated purposes set forth in the Comprehensive Schedule of Taxes, Fees & Charges remain in place at the current rates, and are not being readopted by this resolution.

Section 4. The City Clerk shall certify to the adoption of this resolution and shall cause this resolution and his Certification to be entered in the Book of Resolutions of the Council of the City.

Adopted:

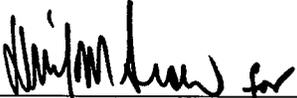
BARRY BRUCKER
Mayor of the City of Beverly Hills,
California`

ATTEST:

BYRON POPE
City Clerk

(SEAL)

APPROVED AS TO FORM:

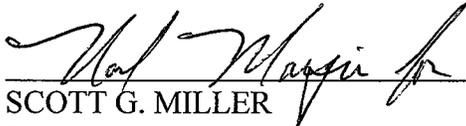


LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:



SUSAN HEALY KEENE, AICP
Director of Community Development



SCOTT G. MILLER
Director of Administrative Services/Chief
Financial Officer

EXHIBIT A

Fiscal Year 2011/2012 Mills Act Pilot Program Application Fee (Effective 12:01 a.m. on January 16, 2012)

Mills Act Pilot Program Application Fee

\$1,500.00