



Lou Ann Teixeira
Executive Officer

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County Member
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Public Member
 Tom Butt
City Member
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Special District Member

June 10, 2015 (Agenda)

June 10, 2015
 Agenda Item 10

Contra Costa Local Agency Formation Commission
 651 Pine Street, Sixth Floor
 Martinez, CA 94553

LAFCO Fee Schedule Update

Dear Members of the Commission:

Government Code §56383 allows the Commission to adopt a schedule of fees to recover “estimated reasonable costs” of LAFCO proceedings. A copy of the current Schedule of Processing Fees is attached (Attachment 1). The fee schedule was last comprehensively reviewed in January 2007, and previously in 2001 to reflect LAFCO’s increased responsibilities under the newly enacted Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH). Prior fee adjustments were modest to moderate.

LAFCO staff has embarked on a comprehensive review of the current fee schedule, and is currently reviewing the historical fee adjustments and average staff time spent on various proposals and projects.

In addition, we have surveyed 13 other LAFCOs (Bay Area and other urban) in order to analyze and compare fees. There is considerable variation in fees, including flat fees, time and materials, and various hybrid formulas. Some of the other fee schedules are complex. There are benefits and challenges associated with the various fee methodologies. For example, time and materials fees can result in greater cost recovery; however, they are more staff intensive and require tracking staff hours by project. A number of LAFCOs use factors such as acreage, landowner consent (i.e., 100% versus less than 100%), applicant (local agency, landowner/voter), and level of environmental review (i.e., EIR, Negative Declaration) to determine fees. Some of these factors are more relevant than others, as the nature and complexity of each application varies considerably.

In our preliminary review of Contra Costa LAFCO fees as compared to other Bay Area and urban LAFCO fees, it appears that our fees are significantly below the market average in most categories.

The Commission's current fee schedule applies flat fees for various types of applications (e.g., annexation, reorganization, SOI amendment, out of agency service, etc.), and actual cost for special services (e.g., municipal service reviews, special studies, preparing environmental documents). The application fees recover a portion of LAFCO's expenses, and comprise a fraction of LAFCO's total revenue, ranging from 5.4% in FY 2007-08, when we last adjusted the fees, to 1.5% (estimated) in FY 2014-15.

Application activity has declined since 2008, and continues to do so. Consequently, staff deferred updating the fee schedule. However, we are hopeful that application activity will begin to increase, and need to assure that our fees are up-to-date.

Any proposed fee adjustments will take into consideration the following: 1) reasonable cost of providing the service, 2) cost recovery enhancement, and 3) comparability to fees levied by the other urban and Bay Area LAFCOs.

At this time, LAFCO staff is seeking the Commission's input and direction regarding the following:

- interest in increasing fees
- extent of fee increases - i.e., minor to modest increases based on current schedule of fees, change in fee methodology (i.e. time & materials), etc.
- other factors

RECOMMENDATION

If the Commission is interested in pursuing fee increases, it is recommended that a public hearing be set for August 12, 2015, to adopt the revised fee schedule.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachment 1 – Current Contra Costa LAFCO Schedule of Processing Fees

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION (LAFCO)
SCHEDULE OF PROCESSING FEES AND DEPOSITS
(Effective September 12, 2007 with slight modification March 15, 2013)

<u>Change of Organization:</u> (annexation to, or detachment from, a city or district)	\$2,765
<u>Annexation to County Service Area L-100:</u> (no longer applicable, 3/15/13)	\$1,575
<u>District Formation:</u>	\$7,800
<u>District Dissolution/Merger/Consolidation/Establishing Subsidiary District:</u>	\$4,750
<u>Reorganization:</u>	\$3,885
<u>Addition/Deletion of Powers for Special District:</u>	\$2,765
<u>Incorporation/Disincorporation:</u>	\$8,000
<u>Concurrent review of relevant sphere(s) with change of organization or reorganization:</u>	\$1,500
<u>Sphere of Influence Amendment/Revision:</u>	\$4,500
<u>Transfer of Jurisdiction to another LAFCO:</u> (payable to principal LAFCO)	\$ 300
<u>Request for Reconsideration:</u>	\$2,500
<u>Out-of-Agency Service Review:</u>	\$3,400
OTHER FEES	
<u>Environmental Review</u>	
<i>Categorical Exemption</i>	\$ 200
<i>Negative Declaration</i>	Actual Cost with advance deposit of \$ 500
<i>EIR Preparation</i>	Actual Cost with advance deposit of \$2,500
<i>Review Lead Agency's EIR</i>	\$1,000
<i>Review Lead Agency's Negative Declaration</i>	\$ 750
<u>Special Meeting/Workshop Fee:</u>	Actual Cost
<u>Special Study Fee</u>	Actual Cost
<u>Outside/Special Consultant Fee:</u>	Actual Cost
<u>Outside/Special Legal Fee:</u>	Actual Cost
<u>Hearing Notice Fee</u> (mailing and publication pursuant to Gov. Code 56157):	Actual Cost
<u>Notices of Determination per Public Resources Code 21089 & Fish & Game Code 711.4</u> (filed with County Clerk):	
<i>Filing as a Responsible Agency * (required of most LAFCO actions)</i>	\$ 50
<i>For specific information regarding filing fees for Negative Declarations or Environmental Impact Reports, please refer to California Department of Fish & Wildlife</i>	

SCHEDULE OF PROCESSING FEES (Effective September 12, 2007) – Page two

<u>Deposit to Review map and legal description:</u>	(Check payable to County Surveyor)	\$1,100
<u>Comprehensive Fiscal Analysis:</u>	Actual Cost with advance deposit of	\$5,000
<u>State Controller’s Review of Comprehensive Fiscal Analysis:</u>		Actual Cost
<u>Municipal Service Reviews</u>		Actual Cost
<u>Annual Mail List Fee:</u>		\$ 50
<u>Duplication of Meeting Record</u>	(i.e., tape, CD, transcription)	Actual Cost
<u>Document Copying:</u>	(less than 20 pages \$.25/page)	\$ 25
<u>County Registrar of Elections fees to review petitions:</u>		Per the County Election Division’s Fee Schedule
<u>State Board of Equalization (SBE) Fee:</u>		Per the SBE Fee Schedule

Payments & Refunds: Fees are due with application submittal. No application shall be deemed filed until processing fees are deposited. Application processing fees are typically non-refundable.

Checks made payable to Contra Costa LAFCO and/or County offices must be business checks or money orders; personal checks will not be accepted.

Waiver Provision: The Commission may waive or alter fees in special circumstances [Gov. Code §56383(d)]. A proposal previously denied and resubmitted shall be accompanied by new fees unless changes are determined to be minor.

***Previously Paid Fees:** If any fee requirement has been previously met, please submit a copy of the appropriate documentation (e.g., fee receipt from County Clerk’s Office)

The fee schedule is administered in accordance with Government Code §56383.