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Auditor-Controller

County of Santa Barbara

# Fee Review

To: Steve Mason At: Planning and Development

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From: Ryder Bailey, CPA

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Date: 7/21/11

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Re: Reinstatement of Agriculture Preserve CC: Jennifer Christensen, Bob Geis

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Fees

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Passed Review     Requires Revision     Failed Review     Please Reply

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## Fee Overview

The Planning and Development Department is proposing to reinstate Agriculture Preserve fees in FY 2011/12. There will be two types of charges. They will charge a standard fee for Assumption Contracts and they will charge a deposit for New Contracts, Non-Renewal Contracts, Replacement Contracts, Farm Land Security Zone Contracts, Agricultural Preserve Cancellations, and Rezone or Community Plan Changes. The proposed charges are consistent with the Board of Supervisors policy of full cost recovery.

## Review Guidelines

Review the proposed fees for the Planning and Development Department in accordance with the County's fee policies. In particular, as excerpted below:

County of Santa Barbara – Administrative Policies and Procedures

Level of Fees – User fees, licenses, permits, and other charges for service will be determined consistent with:

- Public purpose served by the fee;
- Costs incurred by County to provide the service;
- Restrictions of law; and
- Prevailing rates charged by comparable or neighboring jurisdictions.

## Fee Types

### Standard Fee

Assumption Contract: When land under an agricultural preserve contract is transferred to a new owner the new owner records an assumption contract, which changes ownership records and obligates the new owner to abide by all rules of the program. The 'set amount' fee is charged as this permit type generally takes a few hours to process and all cases are fairly consistent in the level of review. The rate

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charged for this type of case will be \$350, or \$278.94 (1.6 hrs x \$174.34) + \$71 (non-salary cost with no public hearing).

A Deposit fee (\$1,500) is charged for cases that have large fluctuation between hours for cases in the same permit type. Deposit cases are then charged per hour, billed on a monthly basis, and at case closure, the case is either billed for a final amount due, or a refund of the remaining balance is prepared. The following case types use the deposit type fee structure.

New Contract: When land is initially placed under agricultural preserve contract.

Non-Renewal Contract: (has a CPI adjustment annually and is not a part of this fee revision)

Replacement Contract: When agricultural preserve land under contract is subdivided, replacement contracts are processed for the creation of new lots established by the subdivision.

Farm Land Security Zone Contacts: This is the same type of project as the New Ag Preserve Contract. It seems that some properties call it "farm land" and others call it "ag preserve" - so we ended up with two categories.

Agricultural Preserve Cancellations: When the property is in an agricultural preserve and the owner wants to get out of the contract. (This is an existing fee and is not recommended to be changed.)

Rezone or Community Plan Changes: Certain land use plan zone designations are not compatible with the rules for agricultural preserves, so if someone wants their property to be in ag preserve, and they are in an incompatible zone, a rezone has to be performed.

#### Review/Procedures

I have reviewed the past three years of source data from the Planning and Development Department Revenue Accounting System and concur with their conclusions. Assumption Contracts take between 1.1 to 3.8 hours, and 1.6 hours on average. The other 6 types of fees (New Contracts, Non-Renewal Contracts, Replacement Contracts, Farm Land Security Zone Contacts, Agricultural Preserve Cancellations, and Rezone or Community Plan Changes) vary greatly and a set fee would be inappropriate. Therefore, I also concur with the Departments conclusions to bill these fee amounts based on actual hours and a non salary cost depending on the type of public hearing required for the case type.

I have reviewed the methodology for the reinstated Agricultural Preserve fees provided by the Planning and Development Department and checked for mathematical accuracy, reasonableness of assumptions, and appropriateness of results.

The Hourly rate excludes a general plan fee to comply with exemptions allowed under Prop 26.

Betsy Blaine of the Planning and Development Department provided guidance and explanations related to the fee proposal included in the Board of Supervisors Agenda Letter.

#### Conclusion

Set at full cost recovery, the Planning and Development Department has properly calculated Agricultural Preserve Fees.

The proposed fees follow County and legal guidelines. The Auditor-Controller will approve as to accounting form on the resolution after review of the final board letter.