



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Public Works
Department No.: 054
For Agenda Of: June 6, 2023 (First Reading)
Placement: Departmental
June 27, 2023 (Second Reading)
Estimated Time: 30 Minutes on June 6, 2023
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director: Scott D. McGolpin, Public Works Director, (805) 568-3010
Contact Info: Mostafa Estaji, Interim Deputy Public Works Director, (805) 568-3060
Eric Pearson, Construction & Permits Manager, (805) 681-5686
SUBJECT: Proposed Fee Ordinance for the Issuance of Permits for, and Related Supervision of, Encroachments and Excavations in County Road Right of Way Public Works Transportation Division, All Supervisorial Districts

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve the introduction (First Reading) of the proposed Ordinance adopting a Schedule of Fees for Services Provided by the Public Works Transportation Division in connection with the Issuance of Permits for, and Related Supervision of, Encroachments and Excavations in County Road Right of Way;
- b) Read the title of the Ordinance and waive further reading in full;
- c) Continue the hearing to the Administrative Agenda of June 27, 2023 (Second Reading) to consider the adoption of an Ordinance adopting a Schedule of Fees for Services Provided by the Department of Public Works, Transportation Division in connection with the Issuance of Permits for, and Related Supervision of, Encroachments and Excavations in County Road Right of Way, as follows:
 - i) Adopt the Ordinance (Second Reading) amending fees for Public Works Department services;

- ii) Approve an annual fee adjustment linked to the Consumer Price Index (CPI) for the Fee schedule reference in Exhibit A;
- iii) Authorize the Public Works Director to update and administer approved unit prices used for Bonding and Fee purposes for FY 2023-2024, and update these annually based on increases linked to the California Construction Cost Index (CCCI); and
- iv) Find that the proposed actions are administrative activities of the County, which will not result in direct or indirect physical changes in the environment and is therefore not a "project" as defined for purposes of the California Environmental Quality Act (CEQA) under State CEQA Guidelines Section 15273(a)(1) and 15378 (b)(5).

Summary Text:

This item is to consider adjusting permit fees to streamline the process and recover costs in conformance with Board policy approved March 14, 2023. Updated fees reflect the impacts of inflation, other cost increases, and changes to service structure. The fees for the Public Works Transportation Division have not been studied or modified since 2007. Public Works hired MGT of America, Inc., a consulting firm with expertise in local government fee analysis, to comprehensively study the respective service fees.

Based on studies and analysis by MGT, many fees have been restructured on the Transportation fee schedule. Existing fees have been combined if the services and the time to provide those services were similar, while other fees may be changing from a fixed fee to an hourly rate fee or vice versa. The goal of the restructuring was to simplify the fee schedule to make it more customer friendly. In addition, there were several new fees being proposed. These fees represent services being provided but there was no clear fee to charge for the service. If adopted by your Board on June 27, 2023, the new fee schedule will take effect after 60 days on August 26, 2023.

Background:

The Santa Barbara County Transportation Division regulates and controls all secondary uses of public roads to protect and preserve the primary purpose of roads traveled by the public. A road encroachment permit is required prior to work within the public right-of-way, where an applicant installs, maintains, cuts into, repairs, or removes any sidewalks, curbs, gutters or road surfacing or installs, repairs or removes any facilities or substructures in, on, over or under any road right-of-way; or excavates or fills in an excavation within a road right-of-way.

In accordance with the Renew 22 initiative, the goal of this fee study was to analyze all costs to determine whether they are being appropriately recovered. In addition, your Board approved an operations funding policy for the Division in March 2023 that recommended full cost recovery for permits. The fee study used a combination of average annual case volumes, historical staff time requirements data, and estimates to determine a reasonable rate. The results of the study identified that overall, most fee areas generate less revenue than the actual cost of providing services. It is not unusual to find that costs have outpaced revenues over a period of years, particularly when the fees have not been reviewed for over 10 years. Based on the findings of the MGT study, staff recommends that the Board of Supervisors adopt a new fee schedule and index the fees to inflation.

To determine bonding and fees for excavation and encroachment permits, private engineers use a list of unit prices for items of construction work. If these unit prices are insufficient, they create liability to the

County. If a developer goes bankrupt or does not complete the bonded improvements, the County may need to remediate the incomplete work in the absence of appropriate bonds. By having unit prices match current market prices, the County will be properly bonded to ensure the completion of improvements for subdivision development and other developments. The Department will review these unit prices annually and adjust based on the California Construction Cost Index (CCCI) and current unit costs. All adjustments will be presented in workshops with interested parties.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

Fees were calculated based on estimates to fully recover costs for issuance, with two exceptions: residential driveways and tree trimming. These items have partial subsidies, estimated to cost approximately \$28,000/year total. These permits are encouraged because they allow for improvements to existing infrastructure that the traveling public benefits from in addition to the property owner. All other fee categories are at 100% cost recovery in accordance with County policy “County of Santa Barbara On-Line Policies & Procedures Manual – Fees”.

If adopted by the Board, the proposed adjustment in excavation and encroachment permit fees will result in an estimated increase of \$637,760 for Fiscal Year (FY) 2023-2024. These estimates are calculated based on assumptions about the actual number of permit applications received. The actual increase will depend on the number of permits applications processed in FY 2023-2024.

There are no facilities impacts.

Special Instructions:

After the Second Reading on June 27, 2023, direct the Clerk of the Board to:

1. Send copies of the adopted Ordinance and copies of the minute order to the Public Works Department Transportation Division, 123 E Anapamu St, Santa Barbara, CA 93101 to Yvette Luna x83094
2. Publish a copy of the Ordinance or summary thereof, with the names of the members of the Board of Supervisors voting for or against the approval in the Santa Barbara News Press, Santa Maria Times, and Lompoc Record newspapers 15 days after the adoption.

Attachments:

Attachment A – Ordinance Amendments (Redlined)
Attachment B – Ordinance Amendments (Clean Version)
Attachment C – SBC PW Transportation UF Final Report of Findings
Attachment D – Draft Permit Fee Schedule 2023

Authored by:

Marika Ruh, Fiscal Manager, Transportation Division

cc: Julie Hagen, C.P.A., Public Works Deputy Director, Finance and Administration