



**CITY OF PACIFIC GROVE**  
300 Forest Avenue, Pacific Grove, California 93950

**AGENDA REPORT**

**TO:** HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

**FROM:** Director of Management and Budget James L. Becklenberg

**MEETING DATE:** June 4, 2008

**CONSIDER A RESOLUTION ADOPTING AMENDMENTS TO UPDATE THE MASTER FEE SCHEDULE FOR FEES INCLUDED IN THE FY 2008/09 BUDGET**

*The City Council will consider amending the master fee ordinance to include several fees approved conceptually in the FY 2008/09 budget:*

**SUBJECT:**

- *Establish a fee to pay for a share of the costs for long-range planning work*
- *Establish a fee/deposit for CEQA screening related to historic preservation*
- *Modify golf rates and restrictions allowing for discounted golf*

**RECOMMENDATION:**

Approve a resolution adopting amendments to the master fee schedule, including:

- A new long-range planning fee equal to 15% of the value of permits subject to the fee (detailed in this report).
- A deposit to be paid by development project applicants for assessment of potentially historic structures; work which is required by the California Environmental Quality Act (CEQA)
- A new \$2 surcharge on 18-hole rounds (\$1 surcharge on 9-hole rounds) of golf played on annual card privileges.
- Expanded times when golf tee times may only be made more than seven days in advance by players paying full greens fee rates.

**DISCUSSION:**

Staff is recommending that the Council approve two new fees for community development services and modify the rates and rules related to discounted golf for residents and golf club members. These fees were approved conceptually in budget proceedings during the spring of 2008 and estimated revenues for the fees are included in the adopted FY 2008/09 budget. If the fee schedule amendments are approved, the master fee schedule will be updated accordingly for implementation on July 1, 2008.

*Long-Range Planning Fee:* The staffing reorganization plan included a new Senior Planner position to focus on long-range planning work: updating the City's General Plan, developing a Coastal Implementing Regulations, and updating the zoning ordinance, among other projects. Preliminary cost estimates for five years of long-range planning work total approximately \$750,000, which equals an average of \$150,000 per year. Without a fee charged to development customers, these costs would be paid entirely by General Fund revenues.

Staff recommends that the costs for long-range planning services be shared between the development community, through a surcharge fee on other development permit activity, and the general public, through general revenues. While the development community benefits most directly from current comprehensive long-range planning documentation and processes, the general community benefits as well from the product of this administrative infrastructure through the quality of a well-planned environment.

From a policy standpoint, staff's goal is to distribute the burden of paying for long-range planning between direct customers of development services and indirect customers (i.e., the general public and taxpayers) in such a way that the resulting surcharge fee does not make development/construction projects cost-prohibitive. **Staff recommends that the long-range planning fee be implemented as a surcharge of 15% on virtually all community development permits, including (as they are categorized in the master fee schedule):**

- Use permits
- Variances
- Subdivisions
- General Plan and zoning amendments
- Architectural review
- Historic permits
- Appeals and miscellaneous (except for investigation fees and code violations)
- Plan checking and construction inspection fees
- Building permits

Please find a five-year plan for long-range planning work, along with preliminary cost estimates upon which the long-range planning fee recommendation is based, attached to this report. The cost estimates include City staff time and consultant assistance.

*Historic assessment deposit:* The California Environmental Quality Act (CEQA) requires the City to assess the applicability of CEQA historic preservation guidelines for all projects affecting structures at least 50 years. The City's Guidelines for Historic Assessments, which explains the program requirements, is attached to this report. The City currently requires the project applicant to hire a qualified historic consultant to prepare the required assessments. Staff believes that the assessments could be accomplished at lower cost to the applicant if the City were to contract with one or more qualified consultants to perform the assessments at a contract rate that assumes higher volume of work and therefore lower costs per assessment. The estimated cost for Phase One Assessments ranges from \$450 - \$1000. The estimated cost for a Phase II assessment is approximately \$1,500.

**Staff recommends that the City require a deposit, which would only be spent on the historic assessment work required for the applicant's project. Unspent deposit monies would be returned to the applicant.** Based on the current estimates of potentially required assessments, the recommended deposit levels are \$1,000 for Phase One assessments and \$1,500 for Phase Two assessments. In most cases, only one deposit will be required. Depending on the circumstances of a given project application, however, both deposits could be required.

*Golf fee modifications:* The FY 2008/09 budget for the golf enterprise fund assumes that the golf fund will generate an operating profit for the year of \$260,000. Half of the profit would be retained in the golf fund balance for reinvestment in golf facilities and half would be transferred to the General Fund to support General services. Plans for increasing revenue in FY 2008/09 balance the interests of retaining significantly discounted golf rates for Pacific Grove residents and maximizing revenue from players paying the full rates. In general, the strategy reserves the busiest times of the year for full-price play and restricts the time periods when cards for discounted play may be used to times when there is excess capacity on the course. Representatives of the golf clubs collaborated with staff to identify ways to expand the strategies implemented in FY 2007/08.

Recommended changes to the golf fee schedule include:

- Expand the times when tee times may only be made more than seven days in advance by players paying full greens fee rates. Currently, these times are 10:00 am – 2:00 pm during daylight savings time, and 10:00 – 1:00 during standard time.
  - **Recommended:** Tee times may only be made by players paying full greens fee rates more than seven days in advance from June 1<sup>st</sup> to October 31<sup>st</sup>, between 9:00 am – 3:00 pm every day. There will be no restrictions from November 1<sup>st</sup> through May 31<sup>st</sup>.
- Establish a new surcharge of \$2.00 for an 18 hole-round and \$1.00 for a 9-hole round for all rounds played using annual card privileges.

Other rule changes agreed to by the golf clubs, but not included in the fee schedule, include:

- Players paying full greens fee rates may make tee times up to 60 days in advance.
- Lodging establishments may reserve tee times for paying guests up to 120 days in advance.
- No men's club tournament in August; reduce from two events to one in June, July, and October
- Seniors' club will reduce events from three events per month to two.
- The ladies' club will reduce from four events in August to two.

Some of these changes will require modifications to Council Policy 200-1 "Golf Course Rules and Regulations", which will be scheduled for consideration by the Council on June 18, 2008.

### **FISCAL IMPACT:**

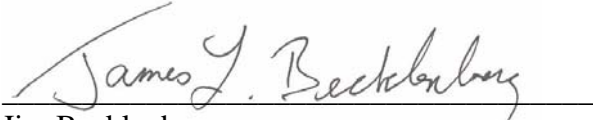
The anticipated revenues from the recommended fee schedule amendments are included in the FY 2008/09 budget, so they will have no additional benefit to the City. Deciding not to

implement any of the fees will cause reductions of budgeted revenue by the amounts described in the report and potential corresponding expenditure budget reductions.

**ATTACHMENTS:**

- Five-year long-range planning work plan, which is the basis for the long-range planning fee.
- Pacific Grove Guidelines for Historic Assessments

RESPECTFULLY SUBMITTED:



Jim Becklenberg  
DIRECTOR OF MANAGEMENT AND BUDGET

REVIEWED BY:



Digitally signed: I have reviewed this document

James J. Colangelo  
CITY MANAGER

May 7, 2008

**Pacific Grove Long-Range Planning Projects  
5-Year Plan**

*[Preliminary cost estimates, which include City staff time and contract services,  
are shown in brackets]*

**FY 2008-09** *[Total \$158K]*

- Adopt Historic Preservation Ordinance update *[\$17K]*
- Adopt Zoning Ordinance clean-up and restructuring *[\$28K]*
- Adopt ADA Plan update *[\$15K]*
- Begin implementing programs for historic preservation *[\$17K]*
- Adopt Housing Element update *[\$59K]*
- Adopt General Plan amendments re flood management *[\$10K]*
- Begin LCP Land Use Plan update and Coastal Implementing Regulations *[\$12K]*

**FY 2009-10** *[Total \$161K]*

- Adopt implementing programs for historic preservation *[\$32K]*
- Adopt LCP Land Use Plan update and Coastal Implementing Regulations *[\$70K]*
- Begin comprehensive General Plan update and associated EIR *[\$59K]*

**FY 2010-11** *[Total \$153K]*

- Hold public review process and adopt comprehensive General Plan update and EIR *[\$153K]*

**FY 2011-12** *[Total \$130K]*

- Begin Municipal Code amendments to implement General Plan update *[\$29K]*
- Begin implementing plans/programs for LCP and General Plan updates *[\$101K]*

**FY 2012-13** *[Total \$145K]*

- Adopt Municipal Code amendments to implement General Plan update *[\$44K]*
- Adopt implementing plans/programs for LCP and General Plan updates *[\$101K]*

Plan to supplement General Fund support for work with long-range planning fee:

	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	5-year total
Cost of work	158,000	161,000	153,000	130,000	145,000	747,000
Fee revenue	105,000	105,000	110,250	110,250	110,250	540,750
% of work paid by fee	66.5%	65.2%	72.1%	84.8%	76.0%	72.4%

## **Pacific Grove Guidelines for Historic Assessments**

March 24, 2008

### **Overview**

A historic assessment is a survey and evaluation that is used to determine the significance of a building, site, object or structure. The survey contains a description of the building, site, object or structure as well as information about its historical background and surrounding area.

The Pacific Grove Community Development Department will require an applicant to hire a qualified historic consultant to prepare a Phase One Assessment when a project has the potential to affect a building, site, object or structure that is 50 years of age or older. The assessment will determine if a resource is historic by using criteria from the National Register of Historic Places, the California Register of Historic Resources and Pacific Grove's Historic Preservation Ordinance (Municipal Code Chapter 23.76). If it is determined that a resource is eligible for listing under one or more of the above sources, then a Phase Two Assessment is triggered.

A Phase Two Assessment, prepared by a qualified historic consultant, provides a more detailed evaluation of the resource and examines how a project will affect its significance. In addition, a Phase Two Assessment should provide potential mitigation measures for consideration by the City to reduce impacts to a level of insignificance, if possible, or a clear statement that the proposal will cause a significant impact to the resource which cannot be mitigated to a level of insignificance.

If a property is listed or has been determined eligible for listing on the National or California Registers or is listed on the Pacific Grove Historic Resource Inventory, a Phase Two Assessment is automatically required.

### **Uses of a Phase Two Historic Assessment**

The Community Development Department will use any required Phase Two Assessment as a resource to complete an Initial Study (IS) to determine whether a project will have a significant affect on a historic resource as required by the California Environmental Quality Act (CEQA), Government Code Section 15300.2(f). A project will have a significant affect on a historic resource if it demolishes, or substantially alters a resource listed or eligible for listing on the National Register, California Register or Pacific Grove Historic Resource Inventory.

If a project will not have a significant affect on the environment, the Community Development Department will prepare a Negative Declaration for consideration and approval by the appropriate hearing body. If a project will have a significant affect on the environment, mitigation measures may be implemented to reduce the impacts to the resource to a level that is considered less than significant. The Community Development Department will then prepare a Mitigated Negative Declaration for consideration and approval by the appropriate hearing body. In the event that impacts are so great that mitigation measures cannot be implemented to reduce the impact to a

less than significant level, the Community Development Department will require the preparation of an Environmental Impact Report (EIR).

#### Qualified Historic Consultants

The Community Development Department (CDD) maintains a list of qualified historic consultants. This list is available at CDD or by calling 831-648-3190.

## **General Requirements**

### **Phase One Assessment**

An applicant must submit (3) administrative draft copies of a Phase One Historic Assessment to the Community Development Department (CDD). Submission requirements vary based on the consultant's findings as follows:

- Not Significant - submit a letter stating why the property is not historic, citing local, state and federal criteria to support the finding.
- Significant w/o Integrity – submit a completed DPR 523a and DPR 523b (Primary Record and Building, Structure, Object Record) with a cover letter that addresses the 7 specific aspects of integrity and which of the seven have been lost and why.
- Significant – submit a completed DPR 523a and DPR 523b (Primary Record and Building, Structure, Object Record) with a cover letter stating at what level (local, state or national) the resource is significant and the applicable criteria. On DPR 523b, section B10, address integrity and list the character defining features of the resource.

### **Phase Two Assessment**

An applicant must submit three (3) administrative draft copies of a Phase Two Historic Assessment to CDD. The assessment should be written in a narrative tone. It must be checked for typographical errors and proof-read for syntax. All material facts, such as the date of construction, must contain references to sources of information. The assessment must contain subheadings and page numbers for clarity and organization. Maps, photographs and figures should be labeled and integrated with the text of the assessment or assembled in an appendix. CDD staff will review the administrative draft copies and forward comments to the consultant. The consultant must address the Department's comments before the historic assessment will be accepted and used for environmental review.

#### Format Requirements

A Phase Two Historic Assessment prepared for Pacific Grove must conform to the following format:

A. Title Page

A title page is required that contains the (1) name and address of the property, (2) the name and address of the applicant, (3) the name and address of the consultant and (4) the completion date of the report.

B. Table of Contents

A table of contents is required that indicates the page numbers of each of the items from Section C through I below.

C. Introduction

The introduction should include, but not be limited to, the (1) name of property owner and applicant, (2) address of proposed project, (3) Assessor's Parcel Number(s) of the property, (4) description of the proposed project, (5) current use of the property, (6) names of the firm, principal and staff preparing the assessment and each of their professional qualifications, (7) beginning and completion dates of the assessment, (8) description of the research procedures used to prepare the assessment, and (9) current listing of the property on the National Register, California Register or Pacific Grove Historic Resource Inventory.

D. Historical Background

The historical background should contain, but not be limited to, the (1) location map of the property drawn to scale with a north arrow, (2) historical context of the study area, and (3) historical development of the property including facts concerning ownership, subdivision, construction dates, occupants and uses of the property, (4) identify the period of significance. The assessment should concisely describe the historical background of the resource from the Spanish Period (1777-1822) to the present. Omission of facts during major periods is not acceptable.

E. Description of the Historic Resource

The description of the historic resource should concisely describe (1) the physical appearance and condition of the buildings, structures, objects and natural features on the subject site, and (2) the architectural style and character defining features of the exterior of the historic resource. Photographs of each facade of the resources are required.

F. Evaluation for Significance

The evaluation for significance must include completed historic evaluations using the following criteria:

- (1) National Register of Historic Places
- (2) California Register of Historic Resources
- (3) Pacific Grove Historic Resource Inventory

For each set of criteria, the assessment should analyze the historic background and description of the resource to determine if it qualifies for listing on any of the above. In addition, the assessment must evaluate the resource's potential to contribute to a district comprised of similar resources in the area. A district is composed of a significant concentration of sites or buildings conveying a visual sense of the overall historic environment or an arrangement of historically or functionally related properties. Conclusions should be based on an objective analysis of the information presented in the assessment.

G. Impacts of the Proposed Project

The impacts of the proposed project should describe how the project would affect the historic resource. It should contain a (1) project description, (2) site plan and floor plans, and (3) an analysis of the affects of the proposed project on the historic resource. If the resource is part of a district, the analysis should also discuss impacts to other contributing properties in the district.

H. Mitigation

Mitigation should include feasible measures that would either avoid or reduce the affects of the proposed project. Mitigation may include, but is not limited to, use of (1) the Secretary of the Interior's Standards and Guidelines for Rehabilitating Historic Structures, (2) the State Historic Building Code, (3) project alternatives, (4) documentation using the Historic American Building Survey (HABS) or alternative standards, (5) an educational exhibit for public use, (6) salvage of building elements, and (7) relocation of the structure.

I. Appendices

The appendices must contain (1) bibliography of the literature cited and persons consulted, (2) documents related to the history of the subject property such as historic photos, articles, letters and diagrams, and (3) completed State Historic Resources Evaluation Forms (DPR 523a & b). If the property is listed on the Pacific Grove Historic Resource Inventory and no DPR 523a & b forms were prepared as part of that listing, the documentation used to list the property will suffice.