

CITY OF ANAHEIM  
REGULATORY RELIEF TASK FORCE

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## PHASE 1 RECOMMENDATIONS

MAYOR TOM TAIT  
TASK FORCE CHAIR THOMAS TURK

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## CITY OF ANAHEIM REGULATORY RELIEF TASK FORCE PHASE 1 RECOMMENDATIONS

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*In his January State of the City address, Mayor Tom Tait announced the creation of the Anaheim Regulatory Relief Task Force. The Task Force was charged with reviewing the regulatory burden on existing and prospective businesses in Anaheim and make recommendations that help foster more freedom for Anaheim's business community.*

### THE COST OF REGULATION

Today's businesses have the heavy burden of complying with an unprecedented level of government regulation. In 2008, the cost of complying with federal regulations has been estimated as \$1.75 trillion annually<sup>1</sup>. Since that time, the regulatory burden has grown further as the United States has slipped from fifth in the world in economic freedom to ninth<sup>2</sup>. The burden in California is even greater. California ranks 49<sup>th</sup> in tax climate<sup>3</sup>, 48<sup>th</sup> in the small business survival index<sup>4</sup>, and 45<sup>th</sup> in economic freedom<sup>5</sup>. Research suggests that economic freedom is highly correlated with economic growth. The Mercatus Center summarized recent research, estimating that economically free states experienced job growth 30 percent higher than heavily regulated states such as California<sup>6</sup>.

With the state's unemployment hovering at 12 percent and underemployment approaching 18 percent or more in Southern California, the City of Anaheim wants to be aggressive in its effort to protect existing jobs and to create new ones. While the state and other cities may continue to add burdens to business owners, Anaheim's freedom and kindness agenda mandates a different approach.

Regulatory barriers interfere with the ability of citizens in Anaheim to pursue their economic dreams by increasing costs, imposing delays, and introducing risk and uncertainty when launching, expanding, and operating local businesses.

Therefore the Task Force's recommendations are focused on reducing the regulatory burden on businesses by:

- Reducing compliance time
- Reducing cost
- Increasing certainty

Burdensome and complex fee structures, restrictions and approvals on the uses of private property, ambiguity and inconsistency in the applications of building codes discourage individuals from freely pursuing their business interests and bringing prosperity to Anaheim.

The Task Force's Phase I recommendations are particularly focused on reducing the time required to comply with regulations. Any delay in receiving regulatory approvals results in a variety of direct costs to the business, including the cost of capital and lost profits. In addition, employees lose wages, suppliers lose sales, and the city loses sales tax revenue. The costs to the business, the employees, the city, and suppliers are considerable- totaling \$2,700 per day or more for a quick service restaurant with annual sales of \$1.5 million, for example.

Anaheim has long had a dedication to economic freedom and reduced bureaucracy. In fact, Anaheim is already one of the least regulated cities in Southern California, with business people commenting to the Task Force how much faster and easier it is to respond to regulatory mandates. This perception is attributable to efforts over the past several years, by Anaheim's policy body and city staff to create an efficient, pro-business climate within the city. Indeed, most of the recommendations in this report originated with city staff.

Task force members believe that adoption of the Phase I recommendations, combined with the ongoing efforts of city staff, will make Anaheim a magnet for investment as businesses enjoy freedom from unnecessary delays, freedom from uncertain code enforcement, freedom from burdensome taxes and fees, and a truly collaborative relationship with city staff. The Task Force will continue its work, looking for more ways to increase economic freedom, reduce governmental regulations and their associated costs, and streamline processes to continue to make Anaheim the easiest place to do business in Orange County and California.

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## BUILDING A FREEDOM CULTURE

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In order to build a freedom culture, the city needs to clarify the vision, develop measures, align incentives, assign ownership, and retain and advance talented personnel that share these values.

### RECOMMENDATION 1: MAKE EXPANDING ECONOMIC FREEDOM A CENTRAL MISSION OF THE CITY

- Expand economic freedom in Anaheim by taking on the role as advocate for the business applicant in their efforts to build and expand.

Expanding economic freedom in Anaheim begins with city employees at all levels dedicated to this goal. With California ranked among the worst in the nation in terms of regulatory burden and the United States losing ground to other parts of the world, Anaheim should not add to the regulatory burden with additional requirements. Indeed, given the difficulty of doing business in California, we recommend that the city explicitly make its mission to help business owners meet federal, state, and city regulations as efficiently as possible.

We recommend that the city serve as an advocate for the individual business person, rather than as an advocate for a regulatory agency, while at the same time, ensuring state standards are met. In essence, we recommend that city staff take the role similar to a tax accountant rather than an Internal Revenue Service agent. This mission would allow city employees to proactively help create economic opportunity during these challenging economic times, rather than creating more bureaucratic hurdles.

Clarifying the vision requires clearly and repeatedly communicating within the organization that the role of employees is to be advocates for development, expansion, and prosperity and proactively assist businesses in efficiently meeting their regulatory obligations. This vision can be communicated in written documents, in strategic plans, through the budget process, at council meetings, during performance evaluations, and through promotion decisions.

### RECOMMENDATION 2: INSTITUTIONALIZE THE NEW MISSION

- Track Development Outcomes

The speed at which development projects reach completion should be measured, monitored, and widely shared. This should be a key metric for those involved in assisting in the development process.

- Celebrate Successes

The opening of a new business or expansion of an existing one represents not only the realization of a personal dream, but an indicator of success for the city and its staff. Helping people achieve this goal is the purpose of the city and its staff. These events should be widely celebrated among the staff. Those assisting in bringing the project to its fruition should be acknowledged and rewarded.

- Create Vested Ownership in Success

Develop mechanisms to provide individuals assisting a business launch or expand a vested interest in the success of the project. If a new development project is completed relatively quickly, what are the ramifications for the city staff that pro-actively assisted that business? There should be a positive consequence for the staff members that contributed to the success of the project. This would require staff to be assigned to individual projects, feedback would need to be given to the assigned staff member and, if the project's approval process meets or exceeds the standards set, that staff member or team should be rewarded or otherwise recognized.

- Continuous Improvement

A culture of "faster, cheaper, clearer" must be continuously reinforced. The suggestions in this report are a snapshot of current opportunities. There must be a continuous focus on reducing compliance time and cost, and increasing transparency. In particular, the city should benchmark itself with other cities in terms of the speed and costs of service. If Anaheim seeks to be the freest city in California, then there should be demonstrable evidence that it is faster and less costly to launch, expand, and operate businesses here.

This recommendation includes regularly monitoring fees and taxes charged by other cities, comparing processing times for permits and other services with other cities, surveying businesses operating in multiple cities regarding the relative speed, cost, and certainty of the various cities. Where other cities with lower taxes and fees or processing times are identified, plans for closing the gap need to be developed.

### RECOMMENDATION 3: EXPAND PROJECT CONCIERGE PROGRAM

The city currently has a pilot Project Concierge Program, in which a project manager is assigned as a single point of contact from filing of an application to occupancy of building, or opening of a business. The Task Force recommends that this process be expanded and made permanent, and that the practices developed under the pilot program be used by planners to shepherd a project through the

entire permitting process.

The Concierge should take responsibility for assuring that the approval and other processes proceed quickly and efficiently and that any concerns or disputes are resolved with deference to the customer. The Concierge will inform the customer of all the relevant requirements and be a "one stop" source for all information. The responsibility for coordinating the project with the various city departments becomes the Concierge's rather than the customer. The Concierge will stay with the project until its completion. The Concierge becomes accountable for the success of the process. Internally, the Concierge will ensure that various departments within the city meet their deadlines and focus on reducing the regulatory burden for the customer.

This program offers the promise of several benefits.

For the customer:

- Lowers the cost of meeting regulatory burdens;
- Decreases the time necessary to comply;
- Increases certainty about what the requirements are; and
- Provides an advocate within the city for their project.

For the city:

- Provides vested ownership within the city for the project's success;
- Assures that internal deadlines are met;
- Assists in identifying bottlenecks, duplication, and other barriers to fast and effective service;
- Keeps the focus of inspections and reviews on proactively reducing the regulatory burden to the customer; and
- Increases internal accountability for expediting the process.

Although initially the process will be more costly to implement, the Task Force would expect that by speeding up internal processes, assisting in coordination, and streamlining the system, this approach ultimately offers the potential to increase productivity significantly. This process will likely offer the most value for individuals and smaller businesses that lack the resources for in-house project management staff.

#### RECOMMENDATION 4: PROVIDE MORE DISCRETION TO STAFF

The value staff members can create in assisting an individual launch or expand a business is circumscribed by their authority. Staff should be given as much discretion as possible to approve deviations and assist in other ways. They cannot take responsibility for assisting businesses if their authority to do so is limited.

To reduce the time required for approval of discretionary permits, the Task Force recommends that certain types of permits be approved by staff rather than the Planning Commission. Staff is currently researching processes that would allow staff review of discretionary permits or deviations to development standards that would be compliant with State Law.

#### RECOMMENDATION 5: MARKETING ANAHEIM'S FREEDOM AGENDA

- Managing the evidence

To enjoy the full impact of reform, the freedom agenda needs to be widely marketed. Anaheim needs to provide demonstrable evidence that development processes are faster and more certain, its staff is more proactive in assisting businesses, its fees and taxes are lower, and its regulations are less burdensome than surrounding communities.

We recommend that the city measure and publish processing times for permits, wait times for inspections, costs comparisons with other cities, and related indicators of greater economic freedom. In addition, the city should highlight success stories of businesses that are up and running faster than similar businesses launched in other cities. This can be done by directly comparing the development time for businesses with multiple locations and publicizing the results. Employees that made special efforts to ease the regulatory burden or expedite processes should be highlighted. The city should be unabashed about promoting evidence of its economic freedom relative to surrounding cities. This will both encourage businesses to launch or expand in Anaheim and will give momentum to changes in the internal processes and culture proposed in this report.

- Make “economic freedom” Anaheim’s brand

Anaheim has a strong story to tell when it comes to increasing economic freedom and it should be spreading the word that it is faster, cheaper, and freer than other cities. The Task Force recommends the Mayor and other city leaders promote Anaheim’s speed and efficiency wherever possible. Anaheim should be promoted as a city where businesses enjoy freedom from

unnecessary delays, freedom from capricious code enforcement, freedom from burdensome taxes and fees, and freedom from adversarial city staff. Anaheim already enjoys a reputation for superior service to the business community, built on the efforts of city staff and officials over the past several years. We recommend that this advantage be aggressively applied as a marketing tool for attracting and retaining businesses. Anaheim should be known throughout the state, the nation and the world as the easiest place to do business in California.

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## STREAMLINED DEVELOPMENT PROCESSES

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### RECOMMENDATION 6: USE MINIMUM CODE REQUIREMENTS AS THE MAXIMUM REQUIREMENT

We recommend that the following principles be adopted regarding inspections and plan reviews:

- Anaheim will never require more than the absolute minimum required to meet a code.
- Acceptance of a customer's code interpretation by other California cities will generally constitute convincing evidence that the standard has been met.
- Where there is ambiguity on code requirements Anaheim will defer to the customer.
- Anaheim should develop procedures to verify that these principles are being met.
- These principles should be communicated in writing to those seeking permits, creating a "Building Bill of Rights."

Anaheim inspections and reviews of plans and permits should consistently reflect the perspective that projects need only meet the absolute minimum federal, state, county and city requirements and no more. The Task Force recommends the city use the minimum standard as the maximum requirement, allowing construction of safe buildings to be achieved in a cost efficient and timely manner. The Task Force recognizes that these requirements are already extensive, costly to meet, and discourage new development and updating and expansion of existing facilities. The City of Anaheim should proactively seek to assist individuals in meeting these obligations in the least onerous manner.

The criterion should be "can the plan plausibly be said to meet the applicable standard." Demonstrating that other municipalities have accepted an interpretation of the code should be taken as convincing evidence, though not proof, that the applicable standard has been met. Wherever possible, inspectors and plan reviewers should defer to the interpretation of the customer.

Uncertain and ambiguous legal standards represent a diminishment of economic freedom and discourage investment. They create uncertainty regarding the cost and time necessary to complete a project, thereby increasing the discount rate that needs to be applied to the expected future profits of

a project. This in turn reduces the likelihood that a project will be pursued. Every effort needs to be made to ensure maximum clarity in the requirements to meet codes. This is among the most serious and consistent concerns expressed in dealing with cities.

The city should take concrete steps to ensure that this perspective be embraced by all employees. This is among the most fundamental barriers to efficient development cited. This standard reduces uncertainty regarding requirements, accelerates meeting those requirements, reduces the cost of new projects and encourages development. Not only should Anaheim seek to provide to customers the clearest and least onerous interpretations of applicable code, it should also provide demonstrable evidence that it does so. The Task Force recommends that the above principles guiding the review of plans and inspections be provided in writing to customers, creating a “Building Bill of Rights”. This will further bond city staff to this commitment.

#### RECOMMENDATION 7: REDUCE THE TYPES OF BUSINESSES THAT NEED CONDITIONAL USE PERMITS TO OPEN

The city requires Conditional Use Permits (CUP) for a variety of businesses. Conditional Use Permits are reviewed by the Planning Commission for the purpose of determining the compatibility of certain types of businesses with other businesses and uses, and if necessary to insure compatibility, to apply appropriate conditions. Conditional Use Permits directly restrict economic freedom by requiring individuals to seek permission to use their private property. Although sometimes necessary to protect the safety and property values of surrounding businesses and neighbors, Conditional Use Permits should be required only when necessary.

In addition to reducing the flexibility of a property owner to respond to a market opportunity, CUPs are costly and time consuming to obtain. In Anaheim, the standard process for obtaining a CUP takes 85 days and costs about \$5,000. In other cities, obtaining a CUP can extend many months beyond that. In addition to the cost charged by the city, obtaining a CUP often necessitates hiring outside professionals, costing the business more. Other costs include the cost of capital and lost profits to the business, lost wages to employees, lost rent to the property owners, lost sales to suppliers of the business, and lost tax revenue to the city. These costs amount to approximately 15 to 20 percent of annual sales for a retail project delayed three months seeking approval for a CUP. The costs, delays and uncertainty associated with CUPs directly reduce economic development.

The Task Force reviewed the businesses requiring CUPs in the industrial and commercial zones to identify situations where a use should not require a CUP or where standard code provisions instead could be identified to address concerns. As a result of this review, the Task Force recommends

eliminating CUP requirements for 70 types of businesses. Staff is drafting an ordinance for council approval to eliminate CUPs for 24 types of businesses this December and draft ordinances for over 50 others over the next 18 months. The Task Force has identified several other CUPs that it recommends

eliminating as part of the upcoming revisions to the Canyon Specific Plan.

This recommendation significantly reduces the number of businesses that will need to seek CUPs. This should significantly increase the pace of economic development as the economy recovers. The Planning Department has already developed a detailed plan to implement these recommendations.

#### RECOMMENDATION 8: REDUCE PERMIT REQUIREMENTS

- Eliminate Approximately One Third of the Permits Required in Title 4

As part of the Task Force's preparation, City staff engaged in a comprehensive review of required permits contained in Title 4 of the Anaheim City Municipal Code. This review identified several outdated or unnecessary permits and other code requirements that can be eliminated. This effort will cut approximately one third of the regulations contained in this title. The Task Force applauds the efforts of the staff to identify this opportunity to reduce the regulatory burden imposed by the city and strongly endorses these amendments to eliminate unnecessary business regulations.

- Eliminate Costly Annual Renewal Requirements for Regulatory Permits

Most businesses that have a regulatory permit are currently required to pay an annual renewal fee that is the same cost as the original permit. The Task Force endorses staff's proposal to eliminate the annual renewal of these permits.

#### RECOMMENDATION 9: REDUCE MEDIAN CUP PROCESSING TIME TO 60 DAYS

The city already has one of the shortest CUP processing times in Orange County, with a standard schedule of 85 days and a median time well below, closer to 70 days. The city recently adopted a process that allows some CUPs to be processed in less than 35 days. This process is used when a CUP involves limited or no construction, and does not require the preparation of environmental studies. This has allowed the city to reduce the median time to less than 85 days. The Task Force recommends adopting a goal of reducing this median time further to 60 days.

After reviewing processing times for over 100 CUPs, city staff identified several measures that can be taken to meet this goal, including:

- Contact applicant shortly after initial comments have been given to offer assistance in meeting re-submittal deadlines.
- Provide information packets for parking variances, including a sample letter to provide

information needed by the city.

- Improve the internal reporting system.
- Track “on-time” statistics and circulate at monthly staff meetings.
- Publish processing time statistics online.

Several of these measures have already been completed and the Planning Department has developed a plan to implement the others.

#### RECOMMENDATION 10:

##### PROVIDE THE SAME INFORMATION TO OWNERS, ARCHITECTS AND CONTRACTORS

Analysis revealed that delays in permit approvals often resulted from architects or other design professionals representing owners not responding to corrections from the city in a timely manner. In addition, incomplete applications or unnecessary mistakes can cause delays even if the city staff meets its deadlines. In such circumstances, the owner is in a better position to expedite the approval process than city staff. However, the city and the owner have no direct contact and the owner may be unaware of the cause of delays.

The Task Force recommends that owners receive information pertaining to incomplete applications and plan check and inspection corrections. This allows owners to expedite the process when the delays are not caused by city staff. The city has partially implemented this recommendation and now distributes information pertaining to incomplete applications and plan check corrections to the owner, architect and contractor, allowing better coordination and faster resolution of concerns. Additionally, we are also encouraged that the city has already started a process to ensure that all inspection corrections will be available online, allowing parties interested in the job to track the status of work in the field.

#### RECOMMENDATION 11:

##### EXPEDITED PLAN CHECK PROCESS

Anaheim currently offers an expedited plan check process. For an additional fee, the city will cut the initial check time in half. The Task Force recommends the city turn this process into a guarantee, returning the fee if expedited time frames are missed. This may involve altering current contracts

with outside consultants to provide them with an incentive to expedite their work.

#### RECOMMENDATION 12:

## REFUNDING FEES FOR MISSED DEADLINES

Anaheim businesses should not suffer unnecessary delays caused by city staff. As mentioned above, speed is a critical feature of an effective approval process. Everyday a project is delayed places a significant burden on the business, its employees, and its customers, and reduces prosperity in Anaheim. To keep the focus on processing permits quickly, the Task Force recommends that the city publish deadlines for completing reviews and refund fees if those deadlines are not met. The deadlines the city should commit to need to be related only to portion of the process the city controls, and not delays that may be caused by responses to corrections or other responsibilities of the customer. This increased commitment to meeting deadlines requires that the city meet the staffing requirements necessary to maintain service levels at the increased speed implied by these recommendations.

### RECOMMENDATION 13: IDENTIFYING COMMON CORRECTIONS

There are certain errors common to applications prepared for each type of project. In addition, different cities have different interpretations of certain codes causing confusion and delays. By identifying the most common errors occurring in Anaheim for each type of project, and providing information on how to avoid these errors, time spent correcting plans can be transformed to time saved. The Task Force recommends preparing and distributing "Top Ten" lists and related materials of common plan check/inspection corrections. This clarifies to the customer what the city is looking for when evaluating plans, thereby reducing uncertainty and delays.

### RECOMMENDATION 14: INCREASE EFFICIENCY OF INSPECTIONS

- Better Access to Inspectors

Better access to inspectors can facilitate efficient scheduling, reduce uncertainty about what the inspector is looking for, and improve the ability to raise concerns. To increase the ease of scheduling an inspection, and reduce the time contractors wait in the field for inspections, the Task Force recommends the city allow inspection scheduling both online and over the phone, and that

inspectors be available by cell phone to confirm inspection times and discuss inspection results. This recommendation is being implemented. Inspections may now be scheduled online or over the phone, via the 311 call center. Real-time inspection schedules are posted online, allowing customers to determine when an inspector will arrive. Inspectors carry cell phones and provide these numbers to customers.

- **Faster Response Times**

Delays waiting for inspections are costly to the business, its employees and the city. The Task Force recommends that inspection response time targets be established, monitored, and published.

- **More Notice and Certainty Regarding Inspections**

In addition to increasing the convenience of setting appointments, inspectors should commit to narrow timeframes and provide adequate notice. Given the difficulty predicting the time required for each appointment, this commitment must be met in a manner that does not compromise service levels.

## RECOMMENDATION 15: IMPROVE ONLINE SERVICES

- **Expand Online Permitting**

The ability to obtain permits online significantly reduces the time and cost involved of obtaining permits. The city currently offers business license renewals and grand opening special event permits online. The Task Force recommends that online permitting be expanded as broadly as possible. In addition, the ability to include on-line submission of plans for planning and building approvals would lower the costs of obtaining permits. Other examples of online services that reduce development costs include access to plan corrections and project status. These opportunities should be developed as fiscal circumstances permit. Anaheim should lead the transition to online services rather than lag behind.

- **Clarify Requirements Online**

The Task Force recommends information on the city's website is continually updated to insure that it clearly describes all the requirements necessary to prepare and submit an application correctly on the first try.

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## REDUCED TAXES AND FEES

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Although taxes and fees fund the provision of essential public services, it is important to recognize that taxes and fees divert capital from private development and reduce economic freedom. If

Anaheim is to be the freest city in California in which to invest, its business taxes and fees must be among the lowest. The Task Force is in the process of a comprehensive review of all business taxes and fees. That review will examine impact fees, permits, licenses, home occupancy businesses, and other fees.

Once the research is completed, Anaheim's fees and taxes will be compared to those of other cities to identify which taxes and fees are higher, discourage development or expansion, or otherwise represent an obstacle to the free use of property. The Task Force's goal would be to look for every opportunity to reduce taxes and fees in a fiscally prudent manner.

Reducing fees for new development and expansion should be the highest priority when unemployment is high and citizens are in desperate need of new opportunities. Fees that effect small businesses are an additional priority since they are the source of nearly all net new employment. Fees that cover city overhead and the processing of fees will face close scrutiny by the Task Force. Such fees reduce the incentive of the city to continuously identify new opportunities to improve efficiency. Taxes and fees that provide an administrative burden for businesses will be examined as well.

An example of some of the changes being considered is the Planning Department's work on a proposal to move from charging hourly rates to flat fees for discretionary permits. Such an approach can increase certainty for businesses and provide incentives to quickly process these permits. In addition, a close examination of the business license fee structure is in process. This review will seek to ensure that the business license fee structure is neither burdensome nor penalizes success. The licensing and taxing of home businesses will be part of this review.

Although this analysis of fees and taxes is ongoing, the Task Force offers recommendations below regarding impact fees and fees charged by the Fire Department.

## RECOMMENDATION 16: IMPACT FEES

Impact fees should be imposed when a development directly creates the need for capital investment by the city. The fees should be devoted to capital projects directly necessitated by the project, the capital investment should be made near the time of the project, and the assessment should be based on a careful evaluation of the cost of the capital investment.

In addition to having the support of the Task Force, the recommendations below also have the support of BIA and the city's Community Services Department.

### A. Park Impact Fees

We recommend reevaluating parks fees in light of the recent significant drop in real estate acquisition and construction costs. The BIA and the Community Services Department have agreed to work together on conducting that reevaluation.

We recommend adopting the BIA recommendation for adjusting park impact fees across various dwelling types to better reflect their impact.

We recommend eliminating the premium charged for Platinum Triangle projects. Although land values are higher in the Platinum Triangle, much of the impact fees are for capital improvements to existing parks and for acquisition adjacent to the Platinum Triangle where prices are more similar to the rest of the city.

### **B. Library impact fees**

Currently library impact fees are charged only in the Platinum Triangle. We recommend reevaluating these fees in conjunction with park impact fees to reflect reduced land acquisition costs. These impact fees are solely for the purpose of funding acquisition and construction of a 10,000 square foot library facility in the Platinum Triangle. The fee calculation is based on densities and unit count in the initial EIR. Since then additional densities and unit counts have been projected. Once the adjusted acquisition and construction cost for the new library branch is calculated, the fee should be recalculated to equally distribute the projected cost evenly amongst all of the projected units.

This recommendation to continue collecting these adjusted fees assumes that project will be going forward in the near future. If those plans change, this recommendation should be revisited.

## **RECOMMENDATION 17: FIRE DEPARTMENT'S PRELIMINARY FEE RESTRUCTURING**

Current Fire Department fees lack consistency across businesses. Fees often vary from year-to-year in unpredictable ways for businesses.

In response to the creation of the Task Force, the Fire Department has developed a preliminary proposal to restructure its fees, which the Task Force supports. The guiding principles of the proposal are:

- Eliminate fees for some permits;
- Reduce rates for remaining permits 20-39 percent;
- Reduce inspection rates 70 percent by relying on outside contractors and variable costing rather than full costing;
- Streamline inspections and eliminate redundant fees; and
- Increase certainty about fees by streamlining fee structure and publishing it online.

The Fire Department will conduct additional analysis to determine more precisely the fiscal impact of its proposal. The Task Force’s preliminary support for this proposal assumes that overall Fire Department fees collected will not be estimated to increase with the new fee schedule. The principles that guided the Fire Department's analysis provide a template the Task Force expects to use of other taxes and fees, including ending charging for overhead and indirect costs, reducing duplication of fees and possibly eliminating fees for various permits and licenses.

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## REPORT FOOTNOTES

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<sup>1</sup> Crain, N. & Crain, M., 2010. "The Impact of Regulatory Costs on Small Firms", Small Business Administration Office of Advocacy

<sup>2</sup> Miller, T. & Holmes, K. 2011. "2011 Index of Economic Freedom", The Heritage and Wall Street Journal.

<sup>3</sup> Padgitt, K. 2011. "2011 State business Tax Climate Index", 8<sup>th</sup> Edition, Tax Foundation

<sup>4</sup> Keating, R., 2010. "Small Business Survival Index 2010", 15<sup>th</sup> Edition, The Small Business and Entrepreneurship Council.

<sup>5</sup> Ashby, N., Karabegovic, A., McMahon, F., Bueno, A. 2010. "Economic Freedom of North America 2010", Fraser Institute.

<sup>6</sup> Mitchell, M., 5-12-2011. "Economically Free States See 30% Faster Growth" Mercatus Center

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