

RESOLUTION NO. NS-30,161

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ RESCINDING
RESOLUTION NO. NS-27,559, EXPANDING THE APPLICATION OF A SIX PERCENT
(6%) TECHNOLOGY SURCHARGE TO CERTAIN FEES CHARGED BY THE PLANNING
AND COMMUNITY DEVELOPMENT, FINANCE, PUBLIC WORKS, WATER, FIRE, AND
PARKS AND RECREATION DEPARTMENTS, AND DIRECTING STAFF TO TAKE
RELATED IMPLEMENTING ACTIONS

WHEREAS, the City of Santa Cruz in 2007 adopted, via Resolution No. NS-27,559, a Technology Surcharge of five-percent (5%) to be assessed on all planning and building permits fees and charges, except duplication, General Plan Maintenance Fees, Traffic Impact Fees, Parkland Dedication Fees, Inclusionary Housing In-Lieu Fees, other development impact fees, and any project with total fees and charges less than \$100. These fees were intended to partially offset the costs of the new planning and building technology not currently covered in existing fees, including a permitting system, document imaging, and field access technology; and

WHEREAS, since the adoption of the Technology Surcharge, additional departments across the city have begun using the existing land management software, thus incurring additional license fees and additional staff time to maintain the software. Therefore, additional adjustments are required to expand the Technology Surcharge's application to other departments to recover costs associated with annual license fees; and

WHEREAS, it is the City Council's intent to now apply a Technology Surcharge of six-percent (6%) to the departments and programs utilizing the land management software and incorporate said increase into the City Unified Master Fee Schedule, with a footnote indicating that the annual Consumer Price Index does not apply to the fee; and

WHEREAS the City Council finds the application of the Technology Surcharge does not exceed the estimated cost to provide the service for which the Technology Surcharge is levied.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Cruz as follows:

- 1) City Council hereby rescinds Resolution No. NS-27,559;
- 2) The Technology Surcharge of six-percent (6%) is hereby adopted as to the fees identified below, including fees and charges less than \$100:
 - a. For the Planning and Community Development Department, the Technology Surcharge will be assessed on all planning and building permits fees and charges, including fees associated with Code Compliance Cost Recovery, and the Residential Rental Inspection Program; and

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- b. For the Finance Department, the Technology Surcharge will be assessed on all business license taxes, except for those exempted as per Santa Cruz Municipal Code section 5.04.080 (Exemptions); and
 - c. For the Public Works Department, the Technology Surcharge will be assessed on concrete permits, tree damage inspection, street opening and sewer repair permits, permanent encroachment permits, temporary encroachment permits, temporary no parking permits, and subdivision fees; and
 - d. For the Fire Department, the Technology Surcharge will be assessed on fire prevention permits (including fire alarm, fire combo, fire sprinkler residential, fire sprinkler, fire service underground, fire service underground commercial, fire sprinkler tenant improvement, and range hood); and
 - e. For the Water Department, the Technology Surcharge will be assessed on conservation services, plan review fees, inspection services, and meter installation.; and
 - f. For the Parks and Recreation Department, the Technology Surcharge will be assessed on Tree Removal Permits.
- 3) The following fees are exempt from the Technology Surcharge: duplication, General Plan Maintenance Fees, Traffic Impact Fees, Parkland Dedication Fees, Inclusionary Housing In-Lieu Fees, and other development impact fees;
- 4) Staff is directed to take related implementing actions. Specifically:
- a. The Finance Department shall create a special revenue fund for said Technology Surcharge;
 - b. The Finance Department shall update and publish the Master Fee Schedule to reflect the contents of this Resolution; and
 - c. Staff is directed to update all associated department fee schedules and post them online.
- 5) This surcharge is intended to cover costs associated with annual software license fees, and it does not take effect unless and until an updated land management system contract is executed and no sooner than sixty (60) days after the final adoption of this resolution.

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PASSED AND ADOPTED this 13th day of June, 2023, by the following vote:

AYES: Councilmembers Newsome, Brown, Watkins, Brunner; Vice Mayor Golder;
Mayor Keeley.

NOES: None.

ABSENT: Councilmember Kalantari-Johnson.

DISQUALIFIED: None.

APPROVED: _____

Fred Keeley, Mayor

ATTEST: _____

Bonnie Bush, City Clerk Administrator