



## CUP Fees

In 2005, a fee study was conducted that analyzed the cost of service for the processing of a CUP. It was determined that the standard cost of service for a CUP was \$5,586.95. For the purposes of this study a standard CUP could include analysis of a specific use, which might include the development plans for a new building. This fee study took into consideration the average time required by the Planning Division personnel to process a CUP application. It was also weighted by the consultant hired to prepare the analysis for the fee schedule. The weighted fee addressed most costs incurred by the Town in processing a CUP, recovering approximately eighty (80) percent of the cost for services provided.

In April 2006, the Council approved a Development Code Amendment and new fee for a Minor Conditional Use Permit. A Minor CUP includes uses that would require less detailed analysis by the Planning Division due to the nature of the use. A new fee for the Minor CUP was approved by Resolution. After implementing the annual fee increases since the approval of the fee study, the current fees for a Major CUP is \$6,305 and a Minor CUP is \$3,152.

Staff compared these fees with sixteen (16) other local cities within the High Desert, Antelope Valley and the Inland Empire and found that many cities have a lower fee if the CUP does not include construction. These cities are highlighted below:

<b>City</b>	<b>CUP Fee</b>
Loma Linda	\$4,120 – Non Residential \$4,220 – New Construction (20,000 sq. ft. or less) \$5,560 – New Construction (above 20,000 sq. ft.)
Grand Terrace	\$2,400 Standard CUP \$400 – Administrative
Redlands	\$5,005 – New Construction \$1,605 – No New Construction
Ontario	\$2,869 – Standard \$1,088 – in addition to standard with construction
Palmdale	\$1,250 (Projects up to 20,000 sq. ft.) + \$35 per 1,000 sq. ft. \$2,000 (Projects greater than 20,000 sq. ft.) + \$35 per 1,000 sq. ft.) \$2,000 for 5% or greater lot coverage = \$50 per acre for the first 10 acres and \$25 each additional acre.
Victorville	\$800 for the first acre + 75 per acre above 1 acre. \$350 for no construction
Hesperia	\$2,128
Colton	\$1,950 + \$35 for each lot

<b>City</b>	<b>CUP Fee</b>
Rialto	\$1,760 Minor \$2,487 Major
Rancho Cucamonga	\$5,722 Construction related \$2,525 No construction
Fontana	\$2,840 less than 1 acre \$3,800 1-10 acres \$5,900 greater that 10 acres
San Bernardino	\$7,288
Highland	\$1,290 Minor \$9,400 Major
Lancaster	\$7,929
Barstow	\$1,009
Adelanto	\$2,735

Staff time would be reduced for the analysis of a project if it did not include the analysis of a development plan for new or expanding development. In addition, CUP applications that did not include any type of construction, including rehabilitation or renovation, would also require less staff time. Therefore, the Council could consider a reduction of the CUP fee for projects that do not include construction to be equal to the Minor CUP fee. Further reductions in CUP fees would impact the cost recovery for staff time and would further impact the General Fund.

### CUP/DP Expirations

The current lapse of permits, or expiration times, for CUP and DP approvals is three (3) years for a CUP and two (2) years for a DP. Due to the current economic climate, construction of new buildings, including commercial and residential development, is very slow. Recently, the State of California implemented an automatic extension of time for approved tract and parcel maps, allowing projects additional time to obtain funding and to ride out this poor economic climate. This same automatic extension was given in the mid 1990s during the last recession. The same consideration could be given by the Town for approved CUP and DP projects.

In order to provide consistency for both entitlements, an automatic extension of two (2) years for a CUP and three (3) years for a DP could be given. This would provide a five (5) year expiration date for each entitlement. To change the expiration times in the Development Code requires a Development Code Amendment. The Council may want to consider allowing these new expiration time frames to be retroactive to projects that were approved prior to the downturn in the economy. The new expiration dates could include all approved CUP and DP entitlements that are currently valid and have not

expired. Future Councils could consider reducing the new five (5) year expiration dates once the economy has full recovered.

In addition to the increase of the expiration time frame, applicants would still be able to apply for an Extension of Time not to exceed two (2) years. Extension of Time requests would be considered by the original review authority.

**Summary:**

In order to assist to make the Town's business attraction/expansion environment more appealing, a reduction in the CUP fees for applications not proposing construction should be considered. This reduction would not impact the General Fund. Staff time to process these applications is typically less, since it does not include the analysis of construction plans. This type of fee structure is used in cities, such as Loma Linda, Redlands, Ontario, Rancho Cucamonga and Victorville. The reduction of fees for projects that do not include construction would be equal to the current Minor CUP fee of \$3,152 and the Major CUP fee would remain at \$6,305. To implement this fee change a fee resolution would need to be approved by the Town Council. Also addressing the current economic climate, consideration should be given to increasing the expiration times for a CUP from three (3) years to a total of five (5) years and a DP from two (2) years to a total of five (5) years. This new expiration process would be most effective if it were retroactive and would include all approved CUP and DP entitlements that have not expired prior to the approval of the Development Code Amendment. A Development Code Amendment requires that Council initiate a Development Code Amendment and request a recommendation from the Planning Commission prior to adoption.