



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: March 25, 2009 REPORT NO: 09-031
ATTENTION: Council President and City Council
Agenda of April 1, 2009
SUBJECT: Newsrack Permit and Enforcement Fee Increase
REFERENCE: Report to the City Council No. 06-115
Report to the City Council No. 07-017

REQUESTED ACTION:

Approve the recommendation to increase the Newsrack Permit Fee from \$10 to \$15 per newsrack per year.

STAFF RECOMMENDATION:

Staff recommends approval of the recommendation to increase the fee in order to process and issue permits for newsracks and ensure that the newsracks are properly installed and maintained in the public right-of-way.

SUMMARY:

The City first adopted an ordinance regulating Newsracks in 1974. The ordinance was amended in 1996. Over the years, the publishing industry expressed concerns that the ordinance is overly restrictive. At the same time, business districts, planning groups, residents, the Metropolitan Transit District, and others expressed concerns that the proliferation of Newsracks in the public right-of-way was affecting their business, quality of life, community esthetics, safety, and obstruction-free use of the public right-of-way.

A Newsrack Ordinance Task Force was convened to recommend revisions to the ordinance. Those revisions resulted in the adoption of new amendments to the Newsrack ordinance on March 28, 2007. The amendments included Section 62.1014 which establishes an annual permit fee to recover the costs of processing the permit application and enforcing permit requirements. The fee was set at \$10 per Newsrack per year.

In 2007, permits were issued to 28 publications placed inside 3354 Newsracks. In 2008, permits were issued to 38 publications placed inside 3193 Newsracks. Publishers who failed to apply for permits or whose Newsracks were in violation of the Municipal Code were required to obtain permits or remove the Newsracks from the public right-of-way. Failure to voluntarily comply with the Municipal Code results in notices of violation and abatement by the City.

A review of permit activity and enforcement efforts by Neighborhood Code Compliance over the past 18 months resulted in this recommendation to increase the permit fee to \$15. The fee ensures that staff will be available to address public nuisance and hazards created by unregulated and uncontrolled proliferation of newsracks on City streets and sidewalks.

FISCAL CONSIDERATIONS:

Newsrack Permit Fee:

The permit fee increase to \$15 per newsrack per year, if approved, will take effect on January 1, 2010. Permits for newsracks have been issued for the calendar year 2009. Based on the number of newsracks permitted in 2007 and 2008, a fee of \$15 per newsrack will generate approximately \$48,000 in revenue. That amount will cover the costs of 0.5 FTE Code Compliance Officer, 0.10 FTE Senior Land Development Investigator and 0.05 FTE Word Processor Operator. Staff is responsible for the processing and issuance of the permits for the newsrack as well as enforcement of the Newsrack Ordinance to ensure that the newsracks do not present a hazard the public and liability to the City.

The recommendation to increase the fee associated with newsrack permit processing and enforcement is consistent with recommendations made as part of the Business Process Re-engineering Study approved by City Council on October 14, 2008.

NCC Fees In General:

Approximately 12% of the department's total revenue is generated from fees. These fees are shown on Exhibit 1 of this report. The fees apply to property owners who fail to correct a violation after being receiving City notice. Additional site inspections are required to document the progress, or lack of, on the case and determine the appropriate enforcement remedy. The property owner is assessed a reinspection fee after the third and subsequent inspection of the property. The property owner is also assessed a fee to remove the recorded notice of violation from County records. Those fees cover approximately 86% of the City's cost and will be re-evaluated next fiscal year. Approximately 30 notices are recorded against a property each year. A total of 97 notices have been recorded since 2006 to date.

Fees collected from Mobile Home Park Owners are established by the State. Local jurisdictions cannot modify those fees. The State has been reluctant to increase the fees despite requests from many jurisdictions. The amount of revenue collected from the Mobile Home Park Inspection Program cover approximately 33% of the City's cost to inspect the parks and enforce State laws regulating mobile home parks.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

The City Council adopted amendments to the Newsrack Ordinance on March 28, 2007. The amendments were recommended by a Newsrack Ordinance Task Force and approved by the Land Use and Housing Committee on August 9, 2006.

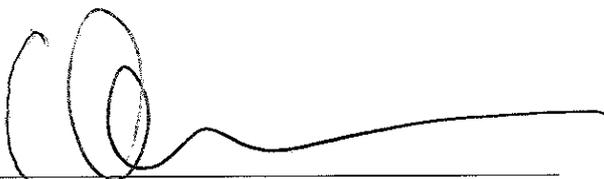
COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Feedback from the community as well as publishers and business owners over the past eighteen months has been positive. Newsracks that are in violation of the Municipal Code, that are poorly

maintained or obstruct the path of travel to pedestrians, disabled persons or vehicles were cited and removed when appropriate.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Key stakeholders are publishers of daily publications which are the San Diego Union Tribune with 829 newsracks, the Los Angeles Times with 205 newsracks, USA Today with 186 newsracks and the Wall Street Journal with 32 newsracks. Other stakeholders impacted by this fee increase are weekly, bi-weekly and monthly publications such as The Employment Guide with 286 newsracks, San Diego City Beat with 145 newsracks, El Latino with 104 newsracks in addition to numerous publications ranging between 6 and 96 newsracks. Representatives of numerous publications were participants in the Newsrack Ordinance Task Force. An annual review of the permit fee was a part of their recommendation presented to the City Council in 2007 (Report No. 07-017, page 3).



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Jay Goldstone
Chief Operating Officer

Attachment:
Proposed User Fees

