



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: April 18, 2012

REPORT NO: 12-049

ATTENTION: Budget and Finance Committee
Agenda of April 25, 2012

SUBJECT: FY 2013 Recommended Real Estate Assets Department User Fee
Adjustments

REFERENCE: None

REQUESTED ACTION:

Approve proposed user fees for Fiscal Year 2013.

STAFF RECOMMENDATION:

Approve proposed user fees for Fiscal Year 2013.

SUMMARY:

The City's User Fee Policy 100-05, which was adopted by the City Council on March 10, 2009, provides guidelines for establishing a comprehensive user fee schedule and requires that the full cost of services be identified and all fees be categorized according to the level of cost recovery. The Policy requires all existing fee levels be in line with service costs to ensure that all reasonable costs incurred in the provision of services are being recovered. Per the User Fee Policy, a comprehensive user fee study shall be conducted every three years. The last comprehensive user fee study was conducted in Fiscal Year 2009.

The User Fee Policy stipulates three categories of cost recovery: user fees with 100% cost recovery (Category I), user fees with less than 100% cost recovery (Category II), and penalties and fines (Category III). This report groups the recommended user fee adjustments into these categories.

The cost recovery calculations are based on direct and indirect costs for all fees in order to accurately calculate the cost of providing services. Direct costs are those that can be fully attributed to providing a specific service. An example of a direct cost is the staff time spent performing tasks related to a specific service and includes employee salary and benefits. Indirect costs include allocated central support service costs (IT, risk management, fleet assignment and

usage fees, etc.), departmental support costs, and the full cost associated with staff providing the service.

Approved by voters in 2010, Proposition 26 amends articles XIII A and XIII C of the California Constitution to provide that a levy, charge or exaction of any kind imposed, increased or extended by a local government is a tax unless an exception applies. Exceptions to Proposition 26 include user fees; government service or product fees; regulatory fees; government property entrance fees; fines and penalties imposed by a court or local government; property development impact fees; and assessments and property related fees governed by Proposition 218. All user fee adjustments recommended in this report have been reviewed by the City Attorney's Office for compliance with Proposition 26 (Attachment).

BACKGROUND:

The Real Estate Assets Department provides a wide variety of services to public agencies, current lessees of City-owned land, and to the general public for a nominal fee that many times is not proportional to the service provided. The Department also receives numerous requests for information, review of unsolicited proposals and requests for various other agreements, which can take a substantial amount of staff time to complete.

There are eight types of documents for which the department charges fees. They are as follows:

Consent to Sublease: City's lessees are required by Council Policy 700-10 to request approval of any subleases permitted under the lease agreement. This fee is to cover costs for preparing, processing and administering such sublease agreements.

Consent to Assignment of Leasehold Interest or other modification/document for lessee's benefit - Long Term Agreements (lease term of three or more years): City's lessees are required by Council Policy 700-10 to request approval for all assignments of leasehold interests. This includes selling all or part of a leasehold interest or assigning it to another entity. This fee is to recover costs for negotiating, preparing and processing assignments of leasehold interests. The Consent to Assignment of long term agreements require additional staff time and may require Council approval.

Consent to Assignment of Leasehold Interest or other modification/document for lessee's benefit - Short Term or Non Revenue Agreement (lease term of less than three years): City's lessees are required by Council Policy 700-10 to request approval for all assignments of leasehold interests. This includes selling all or part of a leasehold interest or assigning it to a corporation or partnership. This fee is to recover costs for negotiating, preparing and processing assignments of leasehold interests.

Leases - New, Renewed or Amended - Long Term Agreements: This fee is to recover costs for negotiating, preparing and processing new agreements, renewals, or amendments of existing agreements. Long term agreements require Council approval and additional staff time.

Leases - New, Renewed or Amended - Short Term or Non Revenue Agreements: This fee is to recover costs for negotiating, preparing and processing new agreements, renewals, or amendments of existing agreements. Short term agreements generally do not require as many hours or staff to process as long term lease agreements, which require approval by Council.

Easement or Rights on City Property: Easements may be granted over City-owned property for private utilities, such as electrical, telephone, water, sewer, and other uses. All permanent easements or rights conveyed must be approved by City Council. This fee is to recover costs for negotiating, preparing and processing easement deeds, as well as determining the value of the easements.

Permits, Rights of Entry and other temporary uses: Temporary uses of City property cover a wide range of situations and short term uses. This fee is to recover costs for preparing, processing, and administering these permits.

Valuation Processing Fee: This fee is to recover the cost of staff appraisals and review of independent appraisals for City properties for sale, lease, market value adjustments, etc.

FISCAL CONSIDERATIONS:

The Real Estate Assets Department has not changed its user fees since 2003 and proposes to increase most of its user fees based on the Consumer Price Index (Los Angeles-Riverside-Orange County CPU – “All Urban Consumers”), which would result in an approximate 2% annual increase since 2003. READ’s justification for the increased fee proposal is to conform to the City’s User Fee Policy 100-05 of cost recovery. The proposed permit fee increases, if approved, would take effect July 1, 2012, the beginning of Fiscal Year 2013. All proposed fee increases would comply with Proposition 26.

All of the department’s fees fall within Category II (less than 100% cost recovery). The department believes that the proposed fees are reasonable and justified, and any greater increase would be unreasonable and could be a financial burden to smaller tenants. The majority of the revenue the department generates comes from the various lease contracts that are being processed or amended. User fees are a very small percentage of the department’s total General Fund revenues, which is illustrated in the following table:

Fiscal Year	User Fees Revenue	General Fund Revenues	User Fees as % of General Fund Revenues
2011	\$120,300	\$53,800,000	0.22%
2010	\$39,600	\$53,100,000	0.07%
2009	\$38,800	\$56,400,000	0.07%
2008	\$62,200	\$52,400,000	0.12%

The table below outlines the current fees and cost recovery and the proposed fees and cost recovery per user fee category:

Fee Title	Current Fee	Proposed Fee	Proposed Cost Recovery
Category II			
Consent to Assignment of Leasehold Interest - Long Term Agreements	\$1,680	\$2,000	69%
Consent to Assignment of Leasehold Interest - Short Term or Non Revenue Agreements	\$560	\$670	70%
Consent to Sublease	\$600	\$727	73%
Easements or Rights on City Property	\$1,590	\$1,750	66%
Leases-New, Renewed or Amended - Long Term Agreement	\$3,970	\$4,454	95%
Leases-New, Renewed or Amended - Short Term or Non Revenue Agreements	\$600	\$727	61%
Permits, Rights of Entry and Other Temporary Uses	\$600	\$727	71%
Valuation Processing Fee	\$1,000	\$1,200	35%

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

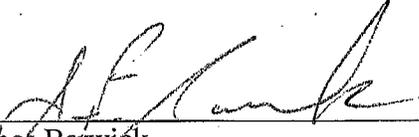
None

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

N/A.

KEY STAKEHOLDERS:

The key stakeholders include other public agencies, current lessees of City-owned land, and the general public.



James Barwick
Department Director

Attachment

**Office of
The City Attorney
City of San Diego**

**MEMORANDUM
MS 59**

(619) 236-6220

DATE: April 16, 2012

TO: James Barwick, Director, Real Estate Assets Department

FROM: City Attorney

SUBJECT: Proposition 26 Review of Proposed Real Estate Assets Department User Fees for FY 2013

INTRODUCTION

Under Council Policy 100-05, general fund departments are required to conduct comprehensive user fee studies every three years. These fee studies ensure City departments identify and recover all reasonable and allowable costs incurred in providing government services.

Financial Management staff has asked participating departments to obtain an opinion on the legality of their proposed user fee adjustments and additions from the Office of the City Attorney in light of Proposition 26. Approved by the voters in 2010, Proposition 26 amends articles XIII A and XIII C of the California Constitution to provide that a levy, charge, or exaction of any kind imposed, increased, or extended by a local government is a tax unless an exception applies. Exceptions to Proposition 26 include user fees; government service or product fees; regulatory fees; government property entrance fees; fines and penalties imposed by a court or local government; property development impact fees; and assessments and property-related fees governed by Proposition 218.¹

¹ For a fuller discussion of Proposition 26, see City Att'y MOL No. 11-3 (Mar. 4, 2011), "Proposition 26 and Its Impact on City Fees and Charges."

Each Proposition 26 exception involves its own legal standard for determining the amount of a legally permissible fee. Under article XIII C, section 1(e)(1)(2)(3) of the California Constitution, which discusses some of the exceptions to Proposition 26, no fee may exceed the reasonable cost of providing the service. However, such fees should reimburse the government entity for all reasonable direct and indirect expenses incurred. *United Business Commission v. City of San Diego*, 91 Cal. App. 3d 156, 166 (1979). As noted in *United Business Commission*, “. . . the municipality need only apply sound judgment and consider ‘probabilities according to the best honest viewpoint of informed officials’ in determining the amount of the fee.” *Id.* This Office has advised City staff to explain the link between the cost and the service provided and justify all fee calculations based on a study of the costs associated with the fee for Council’s consideration and approval. Therefore, depending on the particular type of fee and individual department activities, staff for each City department developed their proposed user fee adjustments using the comprehensive Citywide method developed by Financial Management and Comptroller staff.²

We have reviewed a detailed summary of the Real Estate Assets Department’s (READ) Department’s cost recovery calculations as described in Exhibit A and proposed fee adjustments as described in Exhibit B. Our Proposition 26 analysis of each fee is discussed below.

PROPOSED USER FEES ANALYSIS

Authority for the READ’s Fees

Pursuant to San Diego Resolution R-208896 (Sept. 25, 1973), “the City Manager is authorized to establish fees to recover costs involved with property acquisition and property management services performed by the Property Department.” The Resolution further states that the fees will “recover City costs involved in providing easements, subordination agreements, exchanges, sublease consent, assignment consent, abandonments, and temporary property use permit requests.”

As shown on Exhibits A and B (collectively referred to as “READ’s User Fee Analysis”), READ is proposing increases to its fees for the following eight City services or products:

- 1) Consent to Assignment of Leasehold Interest – Long Term Agreements;
- 2) Consent to Assignment of Leasehold Interest – Short Term or Non Revenue Agreements;
- 3) Consent to Sublease;
- 4) Easement or Rights on City Property;
- 5) Leases-New, Reviewed or Amended – Long Term Agreements;
- 6) Leases-New, Renewed or Amended – Short Term or Non Revenue Agreements;
- 7) Permits, Rights of Entry and other Temporary Uses; and

² The method was approved by Financial Management and the Comptroller and provided to the departments by Financial Management. The number (budget item) used to apportion rates (overhead and load) against direct cost is the responsibility of each department based on the contents and knowledge of their individual department activities. This Office did not independently verify or recalculate the numbers provided or the validity of the methodology.

8) Valuation Processing Fee.

The eight fees analyzed by READ are fees which would allow the City to recover its costs associated with providing services of the type authorized by R-208896 (User Fees).

Application of Proposition 26 to READ's Proposed Increases to its User Fees

Proposition 26 added a definition of "tax" to the California Constitution. That definition now requires that "any levy, charge, or exaction of any kind" imposed, increased, or extended by local government agencies on or after November 3, 2010, is considered a special tax unless an exception applies.

Section 1(e)(2) of Proposition 26 excludes from the new definition of "tax": A charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.

The User Fees set forth in READ's User Fee Analysis are for specific services or products which will be provided by READ and which will be charged only to the party requesting those same specific services or products. Therefore, READ's proposed User Fees are the type of "charge" contemplated by the above-listed exception to Proposition 26.

Further, READ's User Fee Analysis analyzes each proposed increase to its User Fees by calculating the direct and indirect costs associated with each User Fee, and then comparing the true cost of providing the User Fee activity to a requesting party against the proposed increased User Fee. READ's User Fee Analysis evidences that even with the proposed increases to the User Fees, the City will receive less than total cost recovery (from 35% to 95% of the true total cost to the City) for the user fee activities associated with the proposed increased User Fees.

Accordingly, as the User Fees set forth in READ's User Fee Analysis are fees for specific government services and/or products provided directly to the payor and are not provided to those not charged, and the proposed increased User Fees do not exceed the reasonable cost of providing the services and/or products associated with each of the individual user fee activities, the proposed increased User Fees reasonably appear to fall within the section 1(e)(2) exception to Proposition 26.

CONCLUSION

The increased User Fees proposed by READ are for services associated with rendering specific government services or products to specific payors who request and receive those same services or products. And, based on READ's User Fee Analysis, the actual administrative costs associated with providing those services or products do not exceed the reasonable cost to the

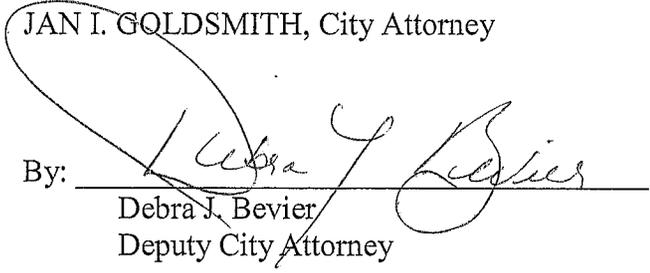
James Barwick, Director, READ

April 16, 2012

Page 4

City of providing those same services or products or READ's proposed increased User Fees. In fact, none of the proposed increased User Fees will constitute full cost recovery for the services or products provided. Accordingly, this Office concludes that the proposed increased User Fees listed in READ's User Fee Analysis are likely exempt from the definition of "tax" under section 1(e)(2) of Proposition 26 and, therefore, are in accordance with the California Constitution.

JAN I. GOLDSMITH, City Attorney

By: 

Debra J. Bevier
Deputy City Attorney

DJB:mm:amt

Attachments: Exhibits A and B

cc: Mark Leonard, Director, Financial Management

MS-2012-14

Exhibit A

Fiscal Year 2013 Proposed User Fee Adjustments

Cost Recovery Calculations

User Fee Departmental Cost Recovery Calculations

Department: READ **Dept No:** 1613 **Fee Title:** CONSENT TO ASSIGNMENT (LONG TERM) **Load Rate:** 19.1%
Preparer/Contact: Roswitha Sanchez **Date:** Sep. 27, 2011 **Fee Legal Authority:** Reso # 208896 **Overhead Rate:** 115.7%

Fee Description: This includes selling all or part of a leasehold interest or assigning it to another entity. This fee is to recover costs for negotiating, preparing and processing assignments of leasehold interests. Long term agreements require council approval and additional staff time.

JOB CLASS	CLASS CODE	A	B	C	D	LABOR COSTS			INDIRECT COSTS			K
						REGULAR LABOR HOURS	REGULAR LABOR COST (HOURLY RATE X HOURS)	ESTIMATED HOURLY FRINGE	ESTIMATED FRINGE COST (EST HOURLY FRINGE X HOURS)	DIRECT COSTS (LABOR COST + FRINGE)	LABOR LOAD (LABOR COST X LOAD RATE)	
					(B x C)		(C x E)	(D + F)	(D x 19.1%)	((D + F) x 116.0%)	(F x 19.1%)	(G + H + I + J)
Property Agent	1756		\$33.06	14	\$462.84	\$23.16	\$324.24	\$787.08	\$88.40	\$637.79	\$61.93	\$1,575.20
Supervising Property Agent	1929		\$37.28	7	\$260.96	\$24.46	\$171.22	\$432.18	\$49.84	\$339.60	\$198.10	\$1,039.72
Program Manager	2270		\$46.15	2	\$92.30	\$30.80	\$61.60	\$153.90	\$17.63	\$127.19	\$0.00	\$298.72
				23	\$816.10	\$78.42	\$557.06	\$1,373.16	\$155.88	\$1,124.58	\$260.03	\$2,913.64

Notes: All fees are deposited into the following account: GL 422065

Current fee is \$1,680. Recommending fee increase to \$2,000 for FY13 being a 19% increase. Fee was last adjusted in 2003.

User Fee Departmental Cost Recovery Calculations

Department: READ Dept No: 1613 Fee Title: CONSENT TO ASSIGNMENT (SHORT TERM) Load Rate: 19.1%
 Preparer/Contact: Roswitha Sanchez Date: Sep. 27, 2011 Fee Legal Authority: Reso # 208896 Overhead Rate: 115.7%

Fee Description: This includes selling all or part of a leasehold interest or assigning it to another entity. This fee is to recover costs for negotiating, preparing and processing assignments of leasehold interests.

A JOB CLASS	B CLASS CODE	C REGULAR LABOR HOURS	D REGULAR LABOR COST (HOURLY RATE X HOURS)	E LABOR COSTS			F ESTIMATED FRINGE COST (EST HOURLY FRINGE X HOURS)	G DIRECT COSTS (LABOR COST + FRINGE)	H INDIRECT COSTS			K TOTAL COSTS (DIRECT COSTS + LABOR LOAD + OVERHEAD + FRINGE LOAD)
				D REGULAR LABOR COST (HOURLY RATE X HOURS)	E ESTIMATED HOURLY FRINGE	F ESTIMATED FRINGE COST (EST HOURLY FRINGE X HOURS)			G DIRECT COSTS (LABOR COST + FRINGE)	H LABOR LOAD (LABOR COST X LOAD RATE)	I DEPT/CITY OVERHEAD (LABOR LOAD) X (DEPT/CITY OH)	
Property Agent	1756	5	\$165.30	\$23.16	\$115.80	\$281.10	\$31.57	\$227.78	\$22.12	\$562.57		
Supervising Property Agent	1929	2.5	\$93.20	\$24.46	\$61.15	\$154.35	\$17.80	\$128.43	\$11.68	\$312.26		
Program Manager	2270	0.5	\$23.08	\$30.80	\$15.40	\$38.48	\$4.41	\$31.80	\$2.94	\$77.63		
		8	\$281.58	\$78.22	\$192.35	\$473.93	\$53.78	\$388.01	\$36.74	\$952.46		

Notes: All fees are deposited into the following account: GL 422069
 Current fee is \$360. Recommending fee increase to \$670 for FY13 being a 20% increase.
 Fee was last adjusted in 2003.

User Fee Departmental Cost Recovery Calculations

Department: READ **Dept No:** 1613 **Fee Title:** CONSENT TO SUBLEASE **Load Rate:** 19.1%
Preparer/Contact: Roswitha Sanchez **Date:** Sep. 27, 2011 **Fee Legal Authority:** Reso # 208896 **Overhead Rate:** 115.7%
Fee Description: This fee is to cover costs for preparing, processing and administering such sublease agreements.

A JOB CLASS	B CLASS CODE	C REGULAR LABOR HOURS			D REGULAR LABOR COST			E ESTIMATED HOURLY FRINGE			F ESTIMATED FRINGE COST (EST HOURLY FRINGE X HOURS)			G DIRECT COSTS (LABOR COST + COST + FRINGE)			H LABOR LOAD (LABOR COST X LOAD RATE)			I DEFICIT/CITY OVERHEAD (LABOR COST + LABOR LOAD X DEFICIT/CITY OH)			J FRINGE LOAD (FRINGE X LOAD RATE)			K TOTAL COSTS (DIRECT COSTS + LABOR LOAD + OVERHEAD + FRINGE LOAD)		
		REGULAR LABOR HOURS	HOURLY RATE	REGULAR LABOR RATE X HOURS	REGULAR LABOR COST (HOURLY RATE X HOURS)	ESTIMATED HOURLY FRINGE	ESTIMATED HOURLY FRINGE	ESTIMATED FRINGE COST (EST HOURLY FRINGE X HOURS)	DIRECT COSTS (LABOR COST + COST + FRINGE)	LABOR LOAD (LABOR COST X LOAD RATE)	DEFICIT/CITY OVERHEAD (LABOR COST + LABOR LOAD X DEFICIT/CITY OH)	FRINGE LOAD (FRINGE X LOAD RATE)	(D + F)	(D x 19.1%)	(D + H) x 116.0%	(F x 19.1%)	(G + H + I + J)											
Property Agent	1756	5	\$33.06	\$165.30	\$23.16	\$115.80	\$281.10	\$31.57	\$227.78	\$22.12	\$562.57	\$31.57	\$227.78	\$22.12	\$562.57													
Supervising Property Agent	1929	2.5	\$37.28	\$93.20	\$24.46	\$61.15	\$154.35	\$17.80	\$128.43	\$11.68	\$312.26	\$17.80	\$128.43	\$11.68	\$312.26													
Program Manager	2270	0.75	\$46.15	\$34.61	\$30.80	\$23.10	\$57.71	\$6.61	\$47.69	\$4.41	\$116.42	\$6.61	\$47.69	\$4.41	\$116.42													
		8.25		\$293.11	\$78.42	\$200.05	\$493.16	\$55.98	\$403.90	\$38.21	\$991.26	\$55.98	\$403.90	\$38.21	\$991.26													

Notes: All fees are deposited into the following account: GL 422069
 Current fee is \$600. Recommending fee increase to \$727 for FY13 being a 21% increase.
 Fee was last adjusted in 2003.

User Fee Departmental Cost Recovery Calculations

Department: READ **Dept No:** 1613 **Fee Title:** EASEMENTS OR RIGHTS ON CITY PROPERTY **Load Rate:** 19.1%
Preparer/Contact: Roswitha Sanchez **Date:** Sep. 27, 2011 **Fee Legal Authority:** Reso # 208896 **Overhead Rate:** 115.7%

Fee Description: Easements may be granted over City-owned property for public utilities, such as electrical, telephone and other uses. All permanent easements or rights conveyed must be processed through the City Council for approval. This fee is to recover costs for negotiating, preparing and processing easement deeds.

A	B	C	D			E			F	G	H		I		J	K
			REGULAR LABOR HOURS	REGULAR LABOR COST (HOURLY RATE X HOURS)	ESTIMATED HOURLY FRINGE	ESTIMATED FRINGE COST (EST HOURLY FRINGE X HOURS)	DIRECT COSTS (LABOR COST + FRINGE)	LABOR LOAD (LABOR COST X LOAD RATE)			DEPT/CITY OVERHEAD (LABOR COST + LABOR LOAD) X DEPT/CITY OH	DEPT/CITY OVERHEAD (LABOR COST + LABOR LOAD) X DEPT/CITY OH	FRINGE LOAD (FRINGE X LOAD RATE)	TOTAL COSTS (DIRECT COSTS + LABOR LOAD + OVERHEAD + FRINGE LOAD)		
JOB CLASS	CLASS CODE	HOURLY RATE	REGULAR LABOR HOURS	REGULAR LABOR COST (HOURLY RATE X HOURS)	ESTIMATED HOURLY FRINGE	ESTIMATED FRINGE COST (EST HOURLY FRINGE X HOURS)	DIRECT COSTS (LABOR COST + FRINGE)	LABOR LOAD (LABOR COST X LOAD RATE)	DEPT/CITY OVERHEAD (LABOR COST + LABOR LOAD) X DEPT/CITY OH	DEPT/CITY OVERHEAD (LABOR COST + LABOR LOAD) X DEPT/CITY OH	FRINGE LOAD (FRINGE X LOAD RATE)	TOTAL COSTS (DIRECT COSTS + LABOR LOAD + OVERHEAD + FRINGE LOAD)	(G + H + I + J)			
Property Agent	1756	\$33.06	13.5	\$446.31	\$23.16	\$312.66	\$758.97	\$85.25	\$615.01	\$615.01	\$59.72	\$1,518.94				
Supervising Property Agent	1929	\$37.28	6.5	\$242.32	\$24.46	\$158.99	\$401.31	\$46.28	\$333.91	\$333.91	\$30.37	\$811.87				
Program Manager	2270	\$46.15	2	\$92.30	\$30.80	\$61.60	\$153.90	\$17.63	\$127.19	\$127.19	\$11.77	\$310.48				
			22	\$780.93	\$78.42	\$533.25	\$1,314.18	\$149.16	\$1,076.11	\$1,076.11	\$101.85	\$2,641.30				

Notes: All fees are deposited into the following account: CL 422069
 Current fee is \$1,590. Recommending fee increase to \$1,750 for FY13 being a 10% increase.
 Fee was last adjusted in 2003.

User Fee Departmental Cost Recovery Calculations

Department: READ Dept No: 1613 Fee Title: LEASES - NEW, RENEWAL, AMENDED (LONG TERM) Load Rate: 19.1%
 Preparer/Contact: Roswitha Sanchez Date: Sep. 27, 2011 Fee Legal Authority: Reso # 208896 Overhead Ra 115.7%

Fee Description: This fee is to recover costs for negotiating, preparing and processing new agreements, renewals, or amendments of existing agreements. Long term agreements require council approval and additional staff time.

JOB CLASS	CLASS CODE	LABOR COSTS										INDIRECT COSTS			TOTAL COSTS (DIRECT COSTS + LABOR LOAD + OVERHEAD + FRINGE LOAD)
		A	B	C	D	E	F	G	H	I	J	K	(G + H + I + J)		
		REGULAR LABOR HOURS	HOURLY RATE	REGULAR LABOR HOURS	REGULAR LABOR RATE X HOURS	ESTIMATED HOURLY FRINGE	ESTIMATED FRINGE COST (EST HOURLY FRINGE X HOURS)	DIRECT COSTS (LABOR COST + FRINGE)	LABOR LOAD (LABOR COST X LOAD RATE)	DEPT/CITY OVERHEAD (LABOR COST + LABOR LOAD) X DEPT/CITY OH)	FRINGE LOAD (FRINGE X LOAD RATE)	(D x 19.1%)	(D + H) x 116.0%	(F x 19.1%)	(G + H + I + J)
Property Agent	1756	23	\$33.06	23	\$760.38	\$23.16	\$532.68	\$1,293.06	\$145.23	\$1,047.79	\$101.74	\$145.23	\$1,047.79	\$101.74	\$2,587.83
Supervising Property Agent	1929	7	\$37.28	7	\$260.96	\$24.46	\$171.22	\$432.18	\$49.84	\$339.60	\$32.70	\$49.84	\$339.60	\$32.70	\$874.33
Program Manager	2270	8	\$46.15	8	\$369.20	\$30.80	\$246.40	\$615.60	\$70.52	\$508.75	\$47.06	\$70.52	\$508.75	\$47.06	\$1,241.93
		38		38	\$1,390.54	\$78.42	\$950.30	\$2,340.84	\$265.59	\$1,916.15	\$181.51	\$265.59	\$1,916.15	\$181.51	\$4,704.09

Notes: All fees are deposited into the following account: GL 422069

Current fee is \$3,970. Recommending fee increase to \$4,454 for FY13 being a 12.2% increase.
 Fee was last adjusted in 2003.

User Fee Departmental Cost Recovery Calculations

Department: READ Dept No: 1613 Fee Title: LEASES - NEW, RENEWAL, AMENDED (SHORT TERM) Load Rate: 19.1%
 Preparer/Contact: Roswitha Sanchez Date: Sep. 27, 2011 Fee Legal Authority: Reso # 208896 Overhead Ra 115.7%

Fee Description: This fee is to recover costs for negotiating, preparing and processing new agreements, renewals, or amendments of existing agreements.

A	B	C	D	E			F	G	H	I		J	K
				REGULAR LABOR COST (HOURLY RATE X HOURS)	ESTIMATED HOURLY FRINGE	ESTIMATED FRINGE COST (EST HOURLY FRINGE X HOURS)				DIRECT COSTS (LABOR COST + FRINGE)	LABOR LOAD (LABOR COST X LOAD RATE)		
JOB CLASS	CLASS CODE	HOURLY RATE	REGULAR LABOR HOURS	REGULAR LABOR COST (HOURLY RATE X HOURS)	ESTIMATED HOURLY FRINGE	ESTIMATED FRINGE COST (EST HOURLY FRINGE X HOURS)	(C x E)	(D + F)	(D x 19.1%)	(D + H) x 116.0%	(F x 19.1%)	(G + H + J + I)	
Property Agent	1756	\$33.06	5	\$165.30	\$23.16	\$115.80	\$281.10	\$31.57	\$227.78	\$22.12	\$562.57		
Supervising Property Agent	1929	\$37.28	2.5	\$93.20	\$24.46	\$61.15	\$154.35	\$17.80	\$128.43	\$11.68	\$312.26		
Program Manager	2270	\$46.15	2	\$92.30	\$30.80	\$61.60	\$153.90	\$17.63	\$127.19	\$11.77	\$310.48		
			9.5	\$350.80	\$78.42	\$238.55	\$389.35	\$67.00	\$483.40	\$45.56	\$1,185.31		

Notes: All fees are deposited into the following account: GL 422069

Current fee is \$600. Recommending fee increase to \$727 for FY13 being a 21% increase.

Fee was last adjusted in 2003.

User Fee Departmental Cost Recovery Calculations

Department: READ Dept No: 1613 Fee Title: PERMITS, RIGHTS OF ENTRY & OTHER TEMP. USES Load Rate: 19.1%
 Preparer/Contact: Roswitha Sanchez Date: Sep. 27, 2011 Fee Legal Authority: Reso # 208896 Overhead Ra 115.7%

Fee Description: Temporary uses of City property cover a wide range of situations. This fee is to recover costs for preparing and processing these permits.

A	B	C	D			E			F	G	H	I		J	K
			REGULAR LABOR HOURS	REGULAR LABOR COST (HOURLY RATE X HOURS)	ESTIMATED HOURLY FRINGE	ESTIMATED HOURLY FRINGE X HOURS	ESTIMATED FRINGE COST (EST HOURLY FRINGE X HOURS)	DIRECT COSTS (LABOR COST + FRINGE)	LABOR LOAD (LABOR COST X LOAD RATE)	DEPT/CITY OVERHEAD (LABOR COST X DEPT/CITY OH)	FRINGE LOAD (FRINGE X LOAD RATE)	INDIRECT COSTS	TOTAL COSTS (DIRECT COSTS + LABOR LOAD + OVERHEAD + FRINGE LOAD)		
Property Agent	1756	\$33.06	5	\$165.30	\$23.16	\$115.80	\$281.10	\$31.57	\$227.78	\$22.12	\$562.57				
Supervising Property Agent	1929	\$37.28	2.5	\$93.20	\$24.46	\$61.15	\$154.35	\$17.80	\$128.43	\$11.68	\$312.26				
Program Manager	2270	\$46.15	1	\$46.15	\$30.80	\$30.80	\$76.95	\$8.81	\$63.59	\$5.88	\$155.24				
			8.5	\$304.65	\$78.42	\$207.75	\$512.40	\$58.19	\$419.80	\$39.68	\$1,030.07				

Notes: All fees are deposited into the following account: GL 422069

Current fee is \$600. Recommending fee increase to \$727 for FY13 being a 21% increase.

Fee was last adjusted in 2003.

User Fee Departmental Cost Recovery Calculations

Department: READ **Dept No:** 1613 **Fee Title:** VALUATION PROCESSING FEE **Load Rate:** 19.1%
Preparer/Contact: Roswitha Sanchez **Date:** Sep. 27, 2011 **Fee Legal Authority:** Reso # 208896 **Overhead Rate:** 115.7%

Fee Description: This fee is to recover the cost of staff appraisals and review of independent appraisals for City properties for sale, lease, market value adjustments, etc. The department collects the actual fee charged by any outside appraisers when possible.

A	B	C	E			F	G	H		I		J	K
			D	D	D			LABOR COSTS	INDIRECT COSTS	TOTAL COSTS			
JOB CLASS	CLASS CODE	REGULAR LABOR HOURS	REGULAR LABOR COST (HOURLY RATE X HOURS)	ESTIMATED HOURLY FRINGE	ESTIMATED FRINGE COST (EST HOURLY FRINGE X HOURS)	DIRECT COSTS (LABOR COST + FRINGE)	LABOR LOAD (LABOR COST X LOAD RATE)	DEPT/CITY OVERHEAD (LABOR COST X DEPT/CITY OH)	FRINGE LOAD (FRINGE X LOAD RATE)	OVERHEAD + FRINGE LOAD	(C + E)	(D + H) x 116.0 %	(C + H + I + J)
Property Agent	1756	8	\$264.48	\$23.16	\$185.28	\$449.76	\$50.52	\$364.45	\$35.39	\$900.11			
Program Manager	2270	16	\$738.40	\$30.80	\$492.80	\$1,231.20	\$141.03	\$1,017.51	\$94.12	\$2,483.86			
		24	\$1,002.88	\$53.96	\$678.08	\$1,680.96	\$191.55	\$1,381.96	\$129.51	\$3,383.98			

Notes: All fees are deposited into the following account: GL 422069

Current fee is \$1,000. Recommending fee increase to \$1,200 for FY13 being a 20% increase. Fee was last adjusted in 2003.



Exhibit B
Fiscal Year 2013 Proposed User Fee Adjustments
Department Summary

Attachment I: Proposed FY 2013 User Fee Adjustments Summary

Department	Fee Title	Unit of Measurement	Current Fee	Proposed Fee	Proposed Cost Recovery %
Real Estate Assets					
	Consent to Assignment of Leasehold Interest - Long Term Agreements	Per Item	\$ 1,680.00	\$ 2,000.00	69%
	Consent to Assignment of Leasehold Interest - Short Term or Non Revenue Agreements	Per Item	\$ 560.00	\$ 670.00	70%
	Consent to Sublease	Per Item	\$ 600.00	\$ 727.00	73%
	Easement or Rights on City Property	Per Item	\$ 1,590.00	\$ 1,750.00	66%
	Leases-New, Renewed or Amended - Long Term Agreements	Per Item	\$ 3,970.00	\$ 4,454.00	95%
	Leases-New, Renewed or Amended - Short Term or Non Revenue Agreements	Per Item	\$ 600.00	\$ 727.00	61%
	Permits, Rights of entry and other Temporary Uses	Per Item	\$ 600.00	\$ 727.00	71%
	Valuation Processing Fee	Per Item	\$ 1,000.00	\$ 1,200.00	35%
	Real Estate Assets - Estimated Revenue Variation of Proposed Fee Adjustments (Rounded to the Thousand):				(\$112,000)