

**STAFF REPORT TO THE CITY COUNCIL  
FOR CONSIDERATION AT THE MEETING OF MARCH 25, 2008**

**Prepared by:** Joseph G. Brandt, Director of Community Development  
**Date:** March 17, 2008  
**Subject:** Amendment of Master Fee Schedule to Reduce Photovoltaic System Building Permit Fee

**RECOMMENDATION**

It is recommended that the City Council adopt the attached resolution amending the Master Fee Schedule to reduce the cost of photovoltaic (PV) system building permits to a flat fee of \$243.

**BACKGROUND INFORMATION**

Historically, the City of Antioch has established all building permit fees based on the estimated cost, or valuation of a project. Since 2003, the City has issued 18 building permits for PV systems, seven of which were issued in 2007 and are used in this report as a basis for comparing current and proposed permitting costs. To determine the value for PV building permits, the Building Division has used a cost of \$8 per watt, resulting in a building permit fee of \$181 to \$907 for the seven permits issued in 2007. In addition to the building permit fee, the Building Division also collects fees for plan check (65% of the permit cost) and other miscellaneous fees that raised the range of total cost for these 2007 permits to \$304 to \$1,532, with an average cost of \$913.

The Sierra Club has been monitoring the cost of building permits for PV systems for some time now. In July 2007, a comparative study of permit costs in 131 northern California municipalities conducted for the Sierra Club showed Antioch, with a reported permit cost of \$745 for a 3kW system, to be one of the highest permit costs of the group. Currently, Antioch holds the somewhat dubious privilege of being the most expensive of all cities surveyed (Attachment %A+).

While Building Division staff in the past believed the process of charging a building permit fee for PV systems based on valuation was justified, Antioch's ranking in the Sierra Club study prompted some reevaluation. Staff has now gained some experience with PV installations, and the review of their associated plans, and believes the permit costs do, in nearly all cases, exceed recovery of actual costs and overhead. We have found that PV plans and installations have become very standardized. Review of the plans for such systems can generally be done in ½ to 1 hour and inspections are taking 1 to 1½ hours. We have also found the review and inspection time for PV systems does not vary considerably as system size increases or decreases. As such, we believe there is merit to the Sierra Club's request that we revisit this fee.

As discussed above, staff believes somewhere between 1½ to 2½ hours of staff time is currently required to plan check a PV system, issue the permit and inspect its installation. Miscellaneous additional permit fees for the seven PV permits issued in 2007 ranged from \$20 to \$35. Using a full cost recovery staff rate of \$108, as established for PW Inspectors under the City's latest fee study, and adding the cost of miscellaneous permit fees, the City's full cost for a PV system would range from \$182 to \$305. Staff believes a fixed fee set at the average of these estimated costs, or \$243, would provide long-term recovery of all costs associated with review and inspection of PV systems in the City. Staff also believes this fee should be incremented annually by the San Francisco Bay Area Consumer Price Index to keep the fee from being eroded by inflation in coming years.

### **FINANCIAL IMPACT**

PV related building permits issued in 2007 generated a total of \$6,390 in fees. Under the proposed fee schedule, these same permits would have generated only \$1,701 in fees, a reduction of \$4,689.

### **OPTIONS**

As may be seen in Attachment A, several cities have opted to set the permit cost for PV systems at \$0, presumably to do their part for global warming and clean energy. While this is an option Council may want to consider, staff continues to believe it is appropriate to recover our costs associated with PV installations. Council may also wish to recover a portion of our costs by setting the fee at some arbitrary point between \$0 and the recommended \$243. Should Council so desire, with the number of PV permits we have seen in the past, the economic impacts are not seen as being significant.

### **ATTACHMENTS**

A. January 12, 2008 Solar Permit Fees for PV Systems summary

**RESOLUTION NO. 2008/\*\***

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANTIOCH AMENDING THE CITY OF ANTIOCH MASTER FEE SCHEDULE TO REDUCE BUILDING PERMIT FEES FOR INSTALLATION OF PHOTOVOLTAIC SYSTEMS**

**WHEREAS**, the City Council of the City of Antioch has adopted a Master Fee Schedule; and

**WHEREAS**, the City Council finds the current Master Fee Schedule makes no allowance for green building construction practices; and

**WHEREAS**, the City Council of the City of Antioch desires to promote green building practices, including the installation of solar photovoltaic systems, and

**WHEREAS**, the City Council duly gave notice of public hearing as required by law; and,

**WHEREAS**, on March 25, 2008 the City Council duly held a public meeting, received and considered evidence, both oral and documentary; and,

**NOW THEREFORE BE IT RESOLVED** that the City Council hereby **ADOPTS** the revision to the Master Fee Schedule to establish a single building permit fee of \$243 for the installation of all solar photovoltaic systems in the City of Antioch;

**BE IT FURTHER RESOLVED** that the City Council further directs that such fee shall be increased annually to offset the effects of inflation on this fee.

\* \* \* \* \*

**I HEREBY CERTIFY** that the foregoing resolution was passed and adopted by the City Council of the City of Antioch at a meeting thereof held on the 25th day of March, 2008.

**AYES:**

**NOES:**

**ABSENT:**

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**L. JOLENE MARTIN, City Clerk**