

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
AMENDING THE CITY'S FEE SCHEDULE AND APPROVING THE
FISCAL YEAR 2025-26 FEE SCHEDULE**

WHEREAS, Government Code Sections 65104, 65909.5, and 66014 allow the City of Capitola to establish fees to offset the City's costs in processing permits, licenses, subdivision maps and entitlements, and other services; **and**

WHEREAS, the City provides certain services to its residents and those doing business in the City; and

WHEREAS, the City Council adopted Resolution 4402 on November 14, 2024, amending the City Fee Schedule in accordance with the comprehensive fee study also presented to City Council on November 14, 2024; and

WHEREAS, such fees must be adjusted from time to time to reflect the true costs of such services; and

WHEREAS, the City will analyze the fee schedule on a yearly basis to ensure hour estimates and staff costs are reasonable; and

WHEREAS, City staff has researched and analyzed the cost of services provided by the City and determined the appropriateness of these adjusted rates relative to the cost of providing services; and

WHEREAS, all flat fees, with the exception of those established by law, may be adjusted annually by the Consumer Price Index (CPI) for the San Francisco, Oakland, San Jose area; and

WHEREAS, the fees comply with Article XIII-C of the California Constitution because they are either (1) charges imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged; or (2) charges imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which do not exceed the City's reasonable costs of providing the service or product; or (3) charges imposed for the reasonable regulatory costs to the City for issuing licenses and permits, performing investigations, inspections, and audits, and administrative enforcement and adjudication thereof; and

WHEREAS, the fees are set in amounts that are no more than necessary to cover the reasonable costs of the City's activities that are funded by the fees, and the amounts bear a fair and reasonable relationship to the payor's burdens on, or benefits received from, the City; and

WHEREAS, to better achieve the City's cost recovery goals, the City Council deems it advisable and in the best interests of the City to adopt and update certain fees, included in the City's Master Fee Schedule; and

WHEREAS, pursuant to Government Code section 66018 the enactment or increase in any fees to be charged for services must be adopted by the City Council by ordinance or resolution, after providing notice and holding a public hearing; and

WHEREAS, pursuant to Government Code section 66019, the data required to be made available to the public prior to increasing the amount of the fees by this resolution was made available for public review at least ten (10) days prior to the date of this meeting; and

WHEREAS, notice of a public hearing on the new and increased user fees was published in accordance with Government Code sections 66018 and 6062a; and

WHEREAS, the City Council of the City of Capitola has held a duly noticed public hearing on June 26, 2025, to consider amending existing fees charged for various City services; and

WHEREAS, pursuant to Government Code sections 66016, 66017 and 66019, fees imposed on a development project that apply to the filing, accepting, reviewing, approving, or issuing of an application, permit, or entitlement to use shall not take effect until at least sixty (60) days have passed since the final action on the adoption or increase of the fee.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Capitola:

1. Hereby finds, with respect to the fees listed in Exhibit A, that there is a reasonable relationship between the amount of the fee and the estimated reasonable cost of providing the type of service for which the fee is imposed; the allocation of the cost to each fee payor bears a fair and reasonable relationship to the fee payor's burdens on, and the benefits received from, the City; and the fees do not exceed the reasonable cost of providing the service for which the fee is charged;

2. Hereby adopts and authorizes such fees as listed in Exhibit A. Any fees and charges previously adopted by resolution and not being modified in Exhibit A are incorporated for ease of reference only and without modifying or amending such fees or the underlying approvals in any manner;

3. Hereby approves the updated Master Fee Schedule, which will become effective July 1, 2025, except for fees imposed on a development project that apply to the filing, accepting, reviewing, approving, or issuing of an application, permit, or entitlement to use, which will become effective August 26, 2025, 60 days after the adoption of this resolution.

4. Hereby authorizes and directs the City Manager or their designee to take all actions necessary and proper to implement this resolution.

I HEREBY CERTIFY that the above and foregoing Resolution was passed and adopted by the City Council of the City of Capitola at its regular meeting held on the 26th day of June, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Joe Clarke, Mayor

ATTEST:

Julia Gautho, City Clerk