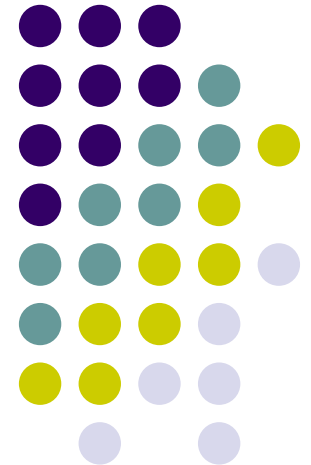


PROPOSED REVISIONS TO LICENSE PROCEDURES

Finance, Audit and
Accountability Committee
October 10, 2005





Background

- In 2003, the Business and Commerce Committee was briefed on changes concerning licenses and license fees
- Subsequently, a 5-year program implementing these changes was approved by the Council. The intent of these changes was to:
 - stimulate beautification projects within the city,
 - provide relief from some of the fees associated with license requests to new businesses, and

Background



- make valet parking easier to implement
- Licenses impacted by these changes included sidewalk cafes, residential monuments or signs, business park monuments or signs, awnings, canopies, valet and landscaping

Background

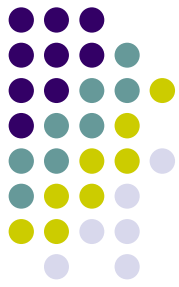


- Recommended fees approved by the city council in 2004:
 - Sidewalk Cafes: the lesser of \$2,500 or area X market value X 85% X 12% but not less than \$1,000 annually
 - Awnings/Canopies: \$1,000 one-time processing fee per awning/canopy
 - Landscaping: \$1,000 one-time processing fee



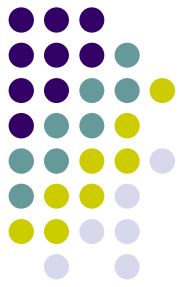
Background

- Recommended fees approved by the city council in 2004:
 - Valet Licenses – \$250 per space for the first six spaces plus \$1,000 for each additional space – **This was a permanent fee reduction.**
 - Residential Subdivision Signs/Monuments: \$1,000 one-time processing fee per sign or monument
 - Business Park Signs/Monuments: \$1,000 one-time processing fee per sign or monument



Background

- Applications received from beginning May 2004 to present:
 - Sidewalk cafes 3
 - Awnings/Canopies 4
 - Valet Licenses – No changes proposed
 - Residential Subdivision Signs/Monuments 3
 - Business Park Signs/Monuments 0
 - Landscaping 1
 - **Total 11**



Proposed Changes

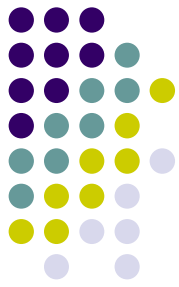
- Recently homeowner groups have expressed an interest in reducing the fees further to accommodate the budgets of their associations and individual owners who want to provide beautification projects

Proposed Changes



● Fees

- Make the provisions of the 5-year program permanent for landscaping, signs/monuments - \$1,000 one-time fee or a \$1,000 annual fee for the term of the license, not to exceed 40 years
- Add new uses: banners, decorative lighting, and streetscape - \$1,000 one-time fee or a \$1,000 annual fee for the term of the license, not to exceed 40 years



Proposed Changes

● Fees

- Allow any combination of these uses of public right-of-way for either the \$1,000 one-time fee or \$1,000 annual fee for the term of the license, not to exceed 40 years
 - for example, landscaping, irrigation, signs and awnings in the same portion of right-of-way would be charged a \$1,000 annual fee or a \$1,000 one-time fee for all uses submitted under one application
- Delete the Code requirement to apply the application fee to the first year fee

Proposed Changes



- Fees
 - Other alternatives
 - Continue 5-year program and grandfather fees for those licenses granted during this 5-year period for a term of 40 years

Proposed Changes



● Other Changes

- Legal Descriptions - allow measured drawings prepared by an engineer, architect or surveyor satisfactory to the City in lieu of metes and bounds descriptions
- Insurance
 - Currently, the city receives insurance certificates for general liability insurance obtained by applicant/licensee naming it as an additional insured (usually added to the existing insurance policy of the applicant). These certificates are provided annually and the City is notified in the event of non-renewal of the policy

Proposed Changes



- Other Changes

- Insurance

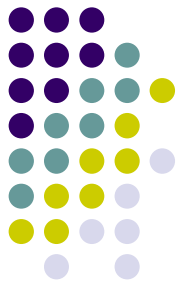
- Existing requirements:

- Commercial: \$500,000 per occurrence, \$500,000 annual aggregate
- Residential: \$300,000 per occurrence, \$300,000 annual aggregate
- These requirements are set by Risk Management
- There is no current legal requirement for insurance but has been required historically as a matter of policy

Proposed Changes

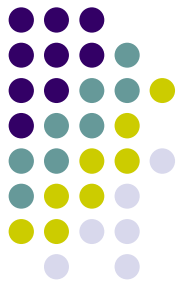


- Outstanding Issues:
 - Should the City continue to require general liability insurance for licenses?
 - (City Attorney's office strongly recommends continuation of the insurance requirement)
 - Should the City provide insurance coverage for the private uses of public rights-of-way by obtaining an insurance policy for this purpose?
 - Include licensee as additional insureds – legal impediment
 - Self insurance
 - Availability and terms
 - Costs (premiums and administration)
 - If so, should the minimum policy limits per occurrence/annual aggregate be changed?



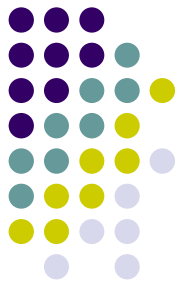
Possible Solutions

- Grant licenses for a \$1,000 one-time fee and keep the indemnity, hold harmless and waiver of subrogation provisions in the ordinance – no insurance
- Continue the insurance requirement and review the adequacy of the insurance limits for a term of 40 years
- The changes will apply to the following uses:
 - Landscaping and appurtenant irrigation systems
 - Residential monument signs
 - Banners
 - Awnings/canopies
 - Decorative lighting
 - Streetscape uses



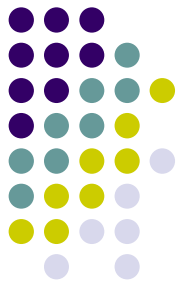
Possible Solutions

- Sidewalk cafes - continue the 5-year program, insurance requirements and revert to the previously established city code provisions
- Business park monuments/signs – continue the 5-year program, insurance requirements and revert to the previously established city code provisions



Revenue Impact – Starts 2010

● Landscaping	\$51,000 annually
● Signs	\$6,000 annually
● Decorative Lights	\$3,000 annually
● Awnings/Canopies	\$14,000 annually
● Combinations – (Monuments, banners, landscaping, signs, etc.)	\$54,694 annually
Total	\$128,694 annually



Future Action

- Proposed Code amendments to be submitted to the City Council following city attorney approval of an ordinance
- Changes to the insurance requirements, if any, will be implemented as a matter of policy