



CITY COUNCIL AGENDA REPORT

MEETING DATE: JULY 17, 2012

ITEM NUMBER:

SUBJECT: "GO GREEN PROGRAM": PERMIT FEE WAIVERS FOR SOLAR SYSTEMS AND ELECTRIC VEHICLE CHARGING STATIONS

DATE: JULY 9, 2012

FROM: PLANNING DIVISION/DEVELOPMENT SERVICES DEPARTMENT

PRESENTATION BY: KEITH CLARKE, INTERIM CHIEF PLANS EXAMINER

**FOR FURTHER INFORMATION CONTACT: CLAIRE FLYNN, AICP (714) 754-5278
claire.flynn@costamesaca.gov**

RECOMMENDATION

Consider a variety of options, and direct staff to initiate the Go Green Program. (See Table A for options).

BACKGROUND

In January 2012, Planning staff and the Building Official met with the Planning Commission Vice Chair Sam Clark to explore incentives to promote energy conversation. After discussing different approaches, it was decided to pursue a fee waiver program for permits related to **solar energy systems and electric vehicle charging stations**.

On April 8, 2012, Planning Commission considered various options for the Go Green Program and directed staff to present different alternatives for City Council consideration.

ANALYSIS

Solar Energy

Solar energy is a renewable energy source. An increasing number of residential and commercial property owners are therefore making significant investments in solar electric systems. Solar cells do not require much maintenance once brought up to their maximum efficiency and are considered quiet collectors. Unlike other energy sources they produce no noise, solar energy can be very reliable, and can last longer than most other energy sources.

While the initial investment on solar system equipment can be expensive, long-term savings and benefits are certainly possible and make the use of this system attractive. Due to further and advanced improvements in solar energy technology, the equipment

costs have been reduced making solar energy more cost-effective to be utilized for the average homeowner or small business.

The following table provides three different fee waiver/reduction options for Council consideration:

Table A – Different Options to Structure the Go Green Program

Options (Select One)	Description of Savings	APPROXIMATE Cost over 5-month period (August through December 2012)
A: 100% Fee Waiver ("Exhibit A1" of Draft Resolution)	\$300 for electrical and building permits for residential solar energy systems. \$1,400 for electrical and building permits for commercial solar energy systems. \$100 for electrical permits for an electric vehicle charging station.	\$2,000 per month Or \$10,000 over five-month period
B: 50% Discount Fee Program ("Exhibit A2" of Draft Resolution)	\$150 for electrical and building permits for residential solar energy systems. \$700 for electrical and building permits for commercial solar energy systems. \$50 for electrical permits for an electric vehicle charging station.	\$1,000 per month Or \$5,000 over five-month period
C. Maximum "Flat Cap" Program ("Exhibit A3" of Draft Resolution)	Program is active until the maximum limit for the fee reduction program is reached.	Max. \$10,000

Note:

The fee waiver/reduction program would apply to both residential and nonresidential (commercial/industrial) users and would be limited to one fee waiver/reduction per residential household or business.

Electric Vehicle Charging Stations

Given uncertainty and volatility in gasoline prices, there is increased demand in owning and operating electric-powered motor vehicles. Many vehicle owners find them practical, affordable and economically sustainable in today's economy. Additionally, green electric or electric-hybrid plug-in vehicles increase environmentally cleaner air, and reduce the need for imported fossil fuels. These electrical vehicles can be charged at home thru a standard wall outlet for very minimal cost per day. They can also be charged at different networks of electric vehicle charging stations at major shopping centers (South Coast Plaza) or governmental properties (City Halls, etc.).

"Go Green Program"

Subject to City Council direction, the proposed program could be effective for a six month period as recommended by the Planning Commission, starting in August through the December 15, 2012. Following is some key information:

- The City averages approximately 42 solar-related permits per year, or an average of 4 per month.
- The peak period for issuing permits for solar systems is November and December months because State rebate deadlines occur during the last couple of months of each calendar year.
- The projected revenue loss of a 5-month solar permit waiver program is approximately a max. of \$10,000, or approximately \$2,000 per month.
- The City issues about 5 permits per year for electric vehicle charging stations. The cost for these permits can vary greatly and are dependent upon the type and number of charging stations. (please provide few examples so that the Council can have an idea.

Options for a Fee Reduction / Fee Waiver Program

Planning Commission recommended approval of the Go Green Program in some form as determined by Council. While the Planning Commission was supportive of the 100% Fee Waiver Program, there was a preference expressed to keep the options open-ended, subject to Council's approval.

After conducting preliminary research, staff is not aware of any grant program available through the South Coast Air Quality Management District, Southern California Edison, or State/Federal that would offset the cost of the Go Green Program. Responses to survey of surrounding Cities regarding any related waiver programs are pending at the time of publication of this report and shall be provided at the hearing.

To implement the Go Green Program, The City Council must adopt the attached resolution waiving or reducing the solar and electrical permit fees during the effective date of the program: August 1 through December 31, 2012.

ALTERNATIVES

The City Council could consider other options with a different range of fee reductions other than presented in this report. The Council could also decide to "receive and file" this report.

FISCAL ANALYSIS

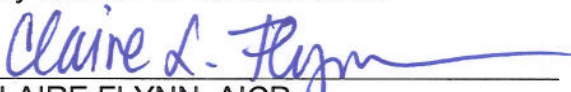
The fiscal analysis shall be provided by separate cover.

LEGAL ANALYSIS

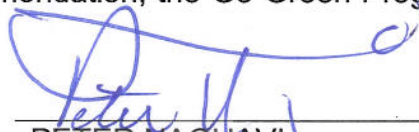
The City Attorney's office has approved the attached resolution as to form.

CONCLUSION

Pursuant to the Planning Commission recommendation, the Go Green Program is to the City Council for consideration.



CLAIRE FLYNN, AICP
Asst. Development Services Director



PETER NAGHAVI
Director of Economic &
Development/Deputy CEO

Attachments: 1. Resolution

Distribution: Chief Executive Officer
Assistant Chief Executive Officer
Director of Economic & Development/Deputy CEO
Public Services Director
City Attorney
Transportation Services Manager
City Engineer
City Clerk (9)
Staff (7)
File (2)

RESOLUTION NO. 12 - _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA MODIFYING BUILDING AND ELECTRICAL PERMIT FEES TO ESTABLISH A "GO GREEN" PROGRAM TO PROMOTE SOLAR ENERGY SYSTEMS AND ELECTRICAL VEHICLE CHARGING STATIONS IN RESIDENTIAL AND NONRESIDENTIAL APPLICATIONS

THE CITY COUNCIL OF THE CITY OF COSTA MESA DOES HEREBY RESOLVE AS FOLLOWS:

WHEREAS, Section 5-1 of Chapter 1, Title 5 of the Costa Mesa Municipal Code authorizes the City Council to establish fees and fee schedules for permits relating to the regulation of building and construction activities in the City of Costa Mesa;

WHEREAS, on July 17, 2012, the City Council conducted a public meeting to consider a fee modification program and the fiscal implications of such a program;

WHEREAS, the City Council hereby desires to establish and promote a program known as the "Go Green Program" for 2012 to encourage and facilitate the installation of solar systems and electric vehicle charging stations in compliance with applicable requirements of the Costa Mesa Building Codes and Development Ordinances, and to reduce the costs of the building and electrical permit fees, for such work as described in Section 1 and Exhibit A of this Resolution;

WHEREAS, the City Council hereby finds and determines that it is in the public's interest and general welfare to establish the Go Green Program.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Costa Mesa as follows:

1. Building/Electrical permit fees shall be collected and modified during the effective period of the Go Green Program pursuant to the schedule described in Exhibit A attached to this resolution.
2. The effective period of the Go Green Program shall apply to any completed permit application received by or permits issued by the Building Safety Division of the Development Services Department, on or after August 1, 2012, and the effective period shall expire upon December 15, 2012.

BE IT FURTHER RESOLVED that, nothing contained in this Resolution shall be deemed to waive any fees otherwise required by any other provision of law (including but not limited to fees for City zoning entitlements, and/or fees collected by the City on behalf of any other public agency or entity), nor otherwise waive compliance with any

other applicable provisions of the Costa Mesa Building Codes, Grading Ordinances, Development Ordinances, or the Costa Mesa Zoning Code.

PASSED AND ADOPTED this _____ day of _____ 2012.

ERIC BEVER
Mayor of the City of Costa Mesa

ATTEST:

APPROVED AS TO FORM:

City Clerk of the City of Costa Mesa

City Attorney

EXHIBIT A1

Description	Description of Savings	APPROXIMATE Cost over 5-month period (August through December 2012)
A: 100% Fee Waiver ("Exhibit A1" of Draft Resolution)	\$300 for electrical and building permits for residential solar energy systems. \$1,400 for electrical and building permits for commercial solar energy systems. \$100 for electrical permits for an electric vehicle charging station.	\$2,000 per month or \$10,000 over a five month period

Note:

The fee waiver program would apply to both residential and nonresidential (commercial/industrial) users. It would be limited to one fee waiver per residential household or business.

Exhibit A2

Description	Description of Savings	APPROXIMATE Cost over 5-month period (August through December 2012)
B: 50% Discount Fee Program ("Exhibit A2" of Draft Resolution)	\$150 for electrical and building permits for residential solar energy systems. \$700 for electrical and building permits for commercial solar energy systems. \$50 for electrical permits for an electric vehicle charging station.	\$1,000 per month Or \$5,000 over a five-month period

Note:

The fee waiver program would apply to both residential and nonresidential (commercial/industrial) users. It would be limited to one fee waiver per residential household or business.

EXHIBIT A3

Description	Description of Savings	APPROXIMATE Cost over 5-month period (August through December 2012)
C. Maximum "Flat Cap" Program (“Exhibit A3” of Draft Resolution)	Program is active until the maximum limit for the fee reduction program is reached. First come, First Served.	Max. \$10,000

Note:

The fee waiver program would apply to both residential and nonresidential (commercial/industrial) users. It would be limited to one fee waiver per residential household or business.

