

TOWN OF FAIRFAX

User Fee Study

Initial Findings

Presentation to the Town Council
October 7, 2026

Prepared by Government Consulting Partners, Inc.
www.governmentconsultingpartners.com



What Is a User Fee?

A USER FEE IS

- ✓ A charge for a service you choose to request, like a permit or a facility rental
- ✓ Paid by the person who receives the direct benefit of the service
- ✓ Limited by law to the reasonable cost of providing the service
- ✓ A way to reduce the General Fund subsidy for services that benefit one requester

A USER FEE IS NOT

- ✗ A tax on the general public
- ✗ Allowed to exceed the reasonable cost of the service, unless voters approve by a two-thirds vote
- ✗ A charge for services that benefit the whole community
- ✗ A source of revenue for unrelated Town programs

One exception: fees for use of Town property, such as the Pavilion and Women's Club, are exempt from the cost test (Proposition 26) and may be set at what the market will bear.

How GCP Measured the Cost of Each Service

STEP 1 Add up the annual cost of fee-related services



STEPS 2 AND 3 Identify fee revenue, then compare it to cost



Example, Planning and Building: **\$807,000 in fees ÷ \$1,037,502 in cost = 78% cost recovery**

The Big Picture: Fees Cover 71% of Costs

\$1,295,254

Annual cost

of fee-related services across all four fee areas

\$913,337

Annual fee revenue

collected today

71%

Cost recovery today

of costs are paid by those who use the services

\$381,917

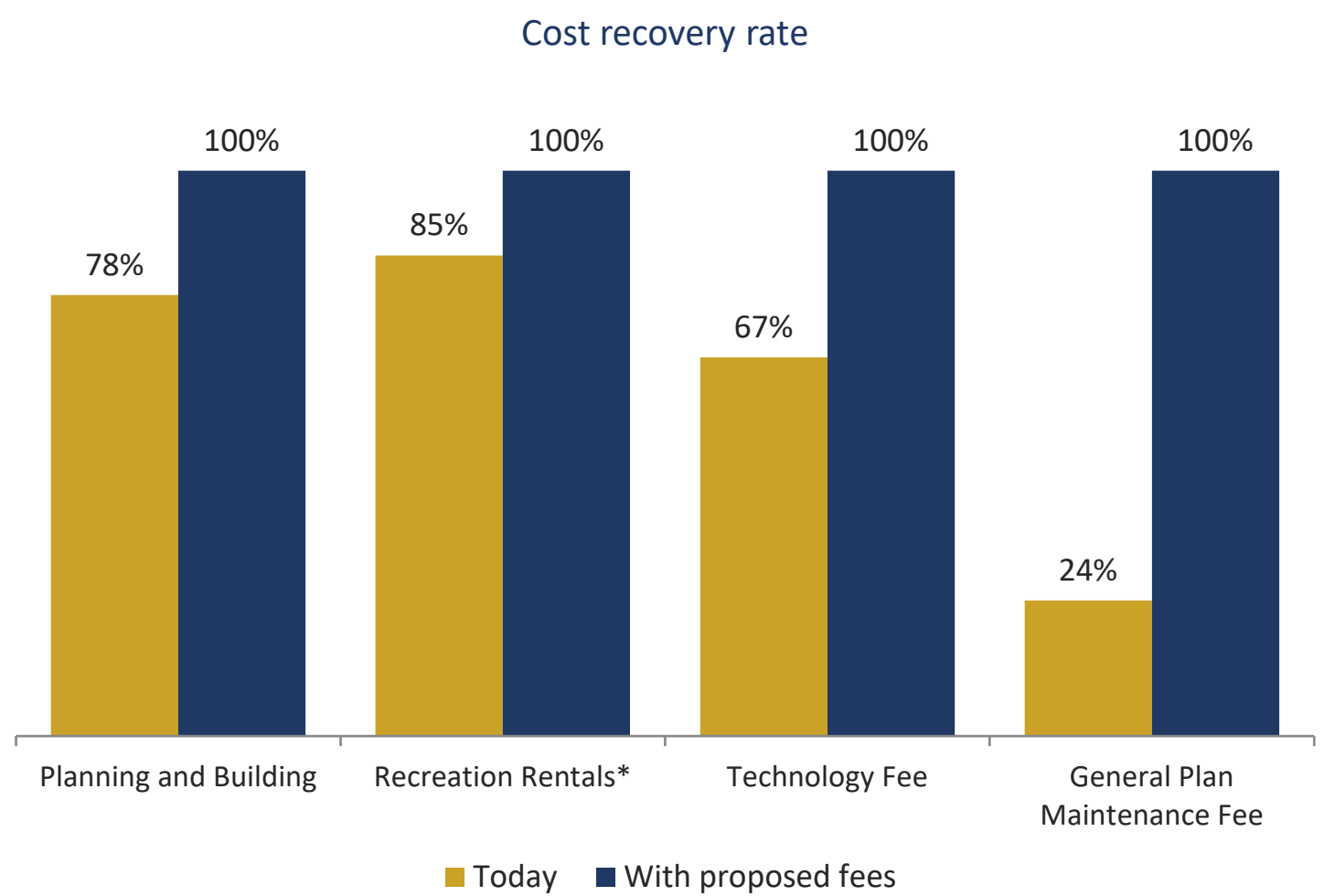
Annual subsidy

paid by the General Fund (29% of cost)

If the recommended fees are adopted, **annual fee revenue is projected to rise by \$381,917**, closing the gap, assuming demand stays at historic levels.

Projections are approximations because of fee restructuring and swings in the construction cycle. GCP recommends reviewing actual revenue after the first six months.

Where the Gaps Are: Cost Recovery by Fee Area



Largest dollar gap

Planning and Building: \$230,502 a year is subsidized by the General Fund.

Largest percentage gap

General Plan Maintenance Fee: only 24% of the development share of cost is recovered today.

Closest to full recovery

Recreation rentals: 85% today, with a modest increase proposed.

*Property rental fees are exempt from the cost test (Proposition 26). Shown for comparison.

Planning and Building: Closing a \$230,502 Gap

78%

of Planning and Building costs are covered by fees today

\$1,037,502

annual cost of fee-related services

\$807,000

fee revenue collected today

\$230,502

subsidized by the General Fund

Most flat fees would increase about 29%. Examples:

Use Permit

TODAY

PROPOSED

\$1,474 → \$1,901

+29%

New Home building permit

TODAY

PROPOSED

\$6,968 → \$8,989

+29%

Single-family resale inspection

TODAY

PROPOSED

\$469 → \$605

+29%

Appeal fee

TODAY

PROPOSED

\$625 → \$1,000

+60%, waived if the appeal succeeds

Planning and Building: What Else Is Changing



One simpler Use Permit fee

Minor residential, minor commercial, and major Use Permit fees combine into a single \$1,901 fee.



Grading fee tied to volume

Today's flat \$700 becomes \$1,327 for the first 100 cubic yards, plus \$433 for each additional 100.



Plan check priced by sheet

\$3,180 for up to five sheets plus \$350 per added sheet, replacing a \$1,000 to \$3,000 deposit.



Stronger penalty for unpermitted work

The penalty rises from 1.5 to 2 times the permit fee, matching Larkspur, Mill Valley, and Novato.



New fees for services not charged today

Expedited processing, re-checks and re-inspections (\$328 per hour), a 3% credit card charge, and public right-of-way use.



Fee Structure Modernization

Reorganized fees to improve transparency, consistency, and alignment between fees charged and services provided.

Technology and General Plan Maintenance Fees

Technology Fee

5% → **7%** of all development user fees

- Pays for the permit tracking system (\$50,000) and GIS/Marin Maps (\$10,000)
- \$60,000 annual cost; only 67% is recovered today
- Adds \$19,650 in annual revenue

General Plan Maintenance Fee

5% → **21%** of all development user fees

- Keeps the General Plan and Housing Element current: \$335,000 in annual long-range planning cost
- Only half (\$167,500) is assigned to development; the General Fund continues to carry the community-benefit half
- Adds \$127,150 in annual revenue

Today both fees apply to building permit fees only. The proposal extends them to all development user fees.

Recreation: Facility Rental Rates

Rental rate (per hour)	Today	Proposed	Change
Pavilion, youth	\$55	\$65	+18%
Pavilion, youth (nonresident)	\$55	\$80	+45%
Pavilion, nonprofit	\$80	\$100	+25%
Pavilion, private event	\$190	\$200	+5%
Women's Club, nonprofit	\$55	\$70	+27%
Women's Club, nonprofit (nonresident)	\$80	\$85	+6%
Women's Club, private event	\$110	\$120	+9%

Resident rates unless noted. Picnic area rates, deposits, and maintenance fees are unchanged.

Market-based

Property use fees are exempt from the cost test (Prop. 26).

Targeted

Increases focus on the youth and nonprofit rates most renters pay.

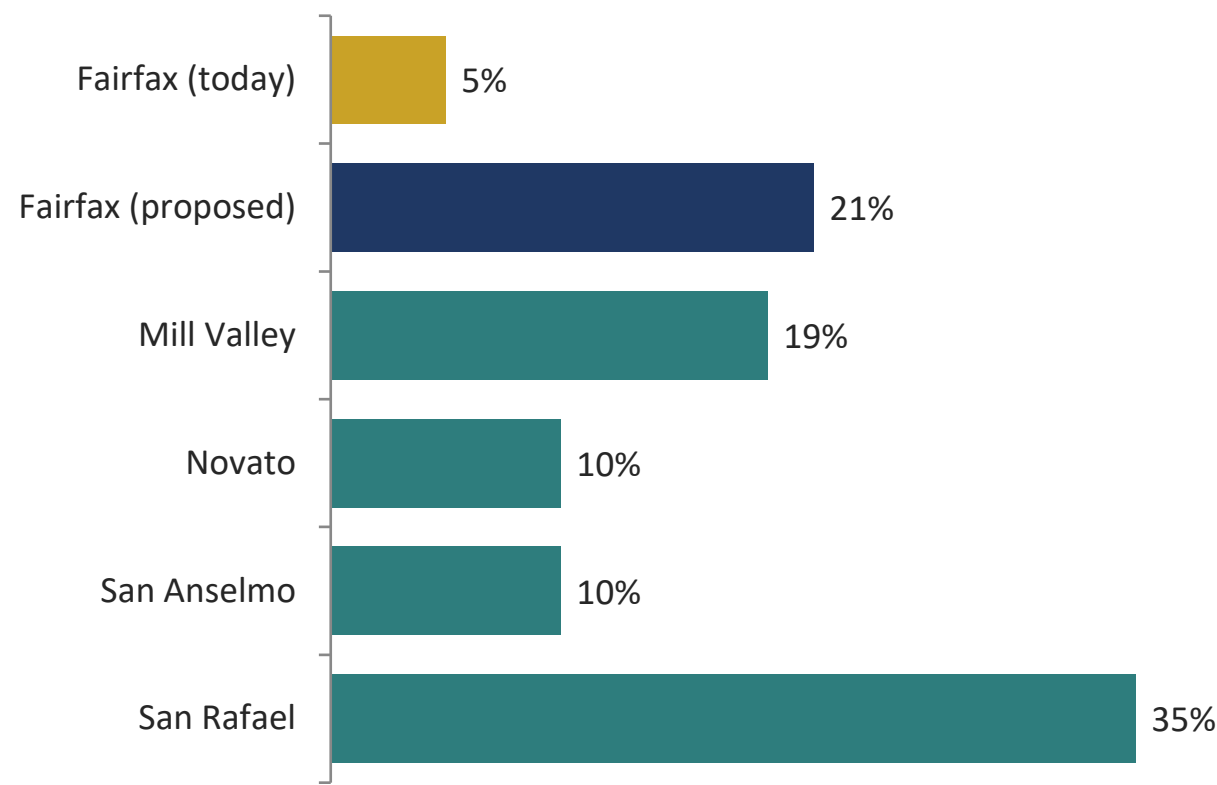
Within the peer range

Nonprofit rates stay within the \$35 to \$130 per hour peer range.

Projected revenue increase: **\$4,615 per year** (a conservative estimate)

How Fairfax Compares to Neighboring Agencies

General Plan Maintenance Fee (percent of permit fees)



Peers surveyed: Larkspur, Mill Valley, Novato, San Anselmo, and San Rafael. Larkspur charges 0.25% of permit valuation instead, so it is not charted.

Use Permit

Proposed \$1,901 stays below peer conditional use permit fees of \$2,460 to \$9,712.

Technology Fee

Proposed 7% falls within the peer range of 3% to 10%. Most peers charge 5%.

Use a survey with care

Peers subsidize some fees. Fees must reflect the Town's actual costs, whatever others charge.

Recommendations and Next Steps

1

Update fees every year

In non-study years, adjust fees with an inflation index such as CPI. Fees capped by State or federal law are exempt.

2

Monitor the results

Review revenue from new and adjusted fees at six months and one year, and confirm recreation increases do not reduce participation.

3

Study fees on a regular cycle

Conduct a detailed analysis every three to five years, with minor updates for new legislation as needed.

Today

- Review the initial findings
- Questions and discussion

Good to know

Development-related fee increases cannot take effect until 60 days after final Council action (Government Code § 66017).



Questions and Discussion



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