



## **STAFF REPORT TO THE CITY COUNCIL**

**DATE:** Regular Meeting of July 8, 2025

**TO:** Mayor and Members of the City Council

**VIA:** Dante Hall, City Manager

**SUBMITTED BY:** Timothy Rood, AICP, Community Development Director

**SUBJECT:** Third Amendment to Contract #14-008 with Contract Costa County for Building Inspection and Planning Services

### **RECOMMENDED ACTION:**

Approve the Third Amendment to an existing agreement between the City of Hercules and Contra Costa County (Contract #14-008) to update the Conservation & Development (DCD) Department's hourly billing rates for FY 2024/25, FY 2025/26, and 2026/27.

### **BACKGROUND:**

In February 2014, the City entered into an agreement (Attachment 2) with Contra Costa County's Conservation & Development Department for Building Plan Check and Inspection Services, Code Enforcement Services, and Planning Services, with hourly billing rates set for Fiscal Year 2013-14. The agreement does not have an expiration date but can be terminated by either party with a 30-day notice. The City has since updated its Master Fee Schedule to reflect that the City has adopted by reference the Contra Costa County Conservation & Development Department Fee Schedule for building permits and inspections, available online at:

<https://www.contracosta.ca.gov/DocumentCenter/View/62479/Land-Development-Fee-Schedule-PDF?bidId=>

For typical building permits, the scheduled permit and inspection fees are split between the City and the County per the agreement. However, occasionally City staff may wish to call upon the services of County staff on an hourly basis to assist in such tasks as assessing damage and identifying needed repairs for severe code enforcement cases. In these instances, the County bills the City for its services based on time spent at the applicable hourly rate as set by the Agreement.

The City still calculates and collects various impact fees as applicable related to new construction projects. The hourly billing rates do not include the impact fees.

The hourly billing rates for County staff for tasks outside of the typical permitting and inspection process were first established in the original 2014 Agreement and subsequently updated by the City Council in October 2017 with approval of Amendment 1 to the contract (Attachment 3), which specified hourly billing rates through Fiscal Year 2019-20. The next contract amendment to update the hourly billing rates was approved as Amendment 2 (Attachment 4) which revised DCD Hourly Billing Rates for 2020/21, 2021/2022, 2022/23.

## **ANALYSIS:**

On May 12, 2025, Contra Costa County contacted City staff with an updated rate schedule for review and approval which will cover the new hourly rates for 2024-25, 2025/26 and 2026/27 (Attachment 5). The County Board of Supervisors approved the agreement on June 10, 2025.

## **FISCAL IMPACT:**

The fees charged by the County only affect work specially requested by the City and do not affect the regular building permit inspections, which are paid directly from collected building permit fees. A portion of administrative fees collected by the County will continue to be returned to the City to assist with offsetting some of these charges and other direct costs to the City associated with providing Community Development services, such as front counter coverage, occasional building inspection services and oversight of the building inspections.

## **ATTACHMENTS:**

### **Attachment 1 – Resolution**

**Exhibit A** - Amendment 3 to the Agreement: Revised Exhibit A to the Agreement Revised DCD Housing Billing Rates for FY 2024/25, 2025/26 & 2026/27

**Attachment 2** - Original 2014 Agreement with Contra Costa County for Building Inspection and Planning Services (Contract #14-008)

**Attachment 3** - Amendment 1 (October 2017): Revised Exhibit A to the Agreement Revised DCD Hourly Billing Rates for FY 2017/18, 2018/19, & 2019/20

**Attachment 4** - Amendment 2 to the Agreement: Revised Exhibit A 2020 to the Agreement Revised DCD Hourly Billing Rates for FY 2020/21, 2021/2022, & 2022/23

**Attachment 5** – Amendment 3 to the Agreement: Revised Exhibit A to the Agreement Revised DCD Housing Billing Rates for FY 2024/25, 2025/26 & 2026/27