

## REPORT TO CITY COUNCIL

**DATE:** APRIL 23, 2014

**TO:** HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

**FROM:** GREG RAMIREZ, CITY MANAGER *GR*

**BY:** MIKE KAMINO, DIRECTOR OF PLANNING AND COMMUNITY DEVELOPMENT *MK*

**SUBJECT:** CONDUCT A PUBLIC HEARING, AND INTRODUCE FOR FIRST READING ORDINANCE NO. 14-407 OF THE CITY COUNCIL OF THE CITY OF AGOURA HILLS, CALIFORNIA, AMENDING SECTIONS 6816 AND 6817 OF THE AGOURA HILLS MUNICIPAL CODE RELATED TO THE CITY BUSINESS LICENSING PROGRAM; AND APPROVAL OF RESOLUTION NO. 14-1746, APPROVING ADJUSTMENTS TO THE BUSINESS LICENSE FEE CATEGORIES AUTHORIZED BY CHAPTER 8 OF ARTICLE VI OF THE AGOURA HILLS MUNICIPAL CODE

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Staff is requesting the City Council conduct a public hearing to introduce Ordinance No. 14-407 for first reading. The City is the applicant for this ordinance, which amends Sections 6816 and 6817 of the Municipal Code related to the City Business Licensing Program. Staff is also requesting the City Council approve Resolution No. 14-1746, approving adjustments to the business license fee categories.

As background reference, at the May 8, 2013, City Council meeting, the City Council approved Ordinance No. 13-401, amending the Municipal Code by repealing Chapter 3 of Article VI of the Municipal Code and amending Chapter 8 of Article VI of the Municipal Code, in its entirety, and establishing a business licensing program for the City of Agoura Hills. At the same City Council meeting, the City Council adopted Resolution No. 13-1701, adopting the fee schedule for business licenses.

Ordinance No. 13-401 established definitions, purpose, requirements for business licenses and fees, general application procedures, approval and renewal process, processes for delinquent fees and collection actions, refunds, duplicate business licenses, violations, and processes for appeals. Additionally, Ordinance No. 13-401 created supplemental procedures (i.e., investigations of specific business types) for specific types of businesses identified in Section 6816 (e.g., Billiard Rooms, Food Establishments, Filling Stations, etc.) which are required in order to be able to process particular types of licenses.

The City Council took this action with the intent of the City assuming local responsibility of business licensing, instead of the County of Los Angeles Treasurer and Tax Collector's Office continuing the responsibility on the City's behalf, in order to create a convenient, business-friendly, and efficient Business License Program, provide the City with better knowledge of businesses within its limits, as well as to better regulate the businesses. The City began its Business License Program on July 1, 2013. When Ordinance No. 13-401 was adopted, staff had informed the City Council that a progress report would be given. The intent of this agenda item is to provide an update on the business licensing transition and for the City Council to consider a few minor amendments to the Business License Ordinance and Fee Categories.

Business licenses include three types of categories. "Category A" licenses are those required for businesses which are not subject to review by any County agency. Businesses within this category comprise 93% of all business license applications, and they are issued for a \$66 annual fee.

"Category B" licenses require staff to coordinate prior approval from one or more County agencies that may include, for example, the Fire Department, Health Department, Environmental Health Department, and other agencies deemed necessary. Examples of businesses within this category include public eating establishments (restaurants), [gasoline] filling stations, and auto body shops. "Category C" licenses require the same type of County agency coordination as needed for Category B licenses, however the businesses with Category C also require a criminal background check. Examples of business uses within this category include billiard rooms, entertainment, motor vehicle repair, pawn brokers, and second-hand dealers.

Every business conducted within the City limits is required to obtain a business license from the City. Public outreach on the new business license program remains a priority for staff. To date, staff has informed all businesses within the City, as well as those businesses that have done work in the City in the prior calendar year, of the City's new business licensing program and application requirements. The business license applications, fee schedule, and guidelines are posted on the City website and are available in the Planning Department.

Since July 1, 2013, the City mailed business license renewal notices to 1,625 businesses, 928 (57%) of which were physically located in the City limits, with the understanding that some businesses may no longer be conducting business in Agoura Hills. During this same period, a total of 772 businesses, in and outside the City, have renewed their City business license, and staff has received an additional 308 new business license applications. Projected, revenue from business license applications for this current Fiscal Year budget is \$135,000. As of April 1, 2014, collected business license fees in this Fiscal Year total \$118,523. Staff is tracking the number of hours spent on the processing of Category B and C applications and, at a future date, will request of the City Council any fee amendments that may be determined to be necessary.

In general, the business license program transition has been smooth and staff has not received complaints about the program. The intent of the City initiating the program was to make it easier for the business community to obtain a business license and staff feels that goal is being achieved, especially in regard to communication between City and County reviewing agencies. Although Category B and C business licenses comprise only 7% of all business license applications, they require the most staff time to review, as applicable County agency review and possible background checks are also required. There are a few businesses in the City that have not yet applied for their required business license for this year, and staff will soon begin enforcement by first making direct contact with the business owners for voluntary compliance. The primary, unforeseen business license issue that has arisen to date involves the requirements for issuance of business licenses for taxi cab service in the City. This is being addressed through the City Council's consideration of a Taxi Cab Permit Ordinance, which is on the April 23, 2014, City Council agenda. Staff would also note that business peddling/solicitation in the City is subject to a Category C business license, and staff is currently drafting an Ordinance to establish solicitation requirements. The draft solicitation Ordinance will be presented to the City Council in the near future.

As staff has transitioned into the new role of business licensing, it has become apparent that a few minor revisions to the Business License Ordinance are needed for ease of license processing. Proposed Ordinance No. 14- 407, which is attached for reference, includes proposed clean-up revisions and additions. The revisions and additions include the following for Category B Licenses, which are subject to various County Department review, but no criminal background is check required:

- The deletion of the requirement for a business license for "Close-Out Sales." The intent of this revision is not to require an application or charge an additional fee for businesses which decide to no longer continue operating in the City limits.
- The addition of "Farmers Market" as a new Category B license. This addition is needed since Farmers Markets are subject to review by the County Agricultural Department.
- Added language to clarify that taxi cab vehicles are subject to the new Taxi Cab Ordinance (which will be on the April 23, 2014, City Council agenda)
- Added "Tow Truck" as a Category B license. This is needed since the City already has an established fee, but the use was inadvertently omitted in the last ordinance.
- Renumbered categories based on the proposed amendments.

The Ordinance also includes the following revisions and additions for Category C Licenses:

- The deletion of the requirement for a business license for "Entertainment Manager." A license is currently required for "Entertainment," for which the business owner is required to apply. Staff has found the requirement for an additional Entertainment Manager license to be redundant.

- The deletion to the reference of "Second-hand dealer." The category of second-hand dealers is currently included with the "Pawnbrokers and second-hand dealers" category.
- Added language to clarify that "Taxi Cab Driver" and "Taxi Cab Operator" are subject to the new Taxi Cab Ordinance (which will be on the April 23, 2014, City Council agenda)
- Renumbered the categories based on proposed amendments.

Proposed Resolution No. 14-1746, which is attached for reference, includes amendments to the categories within the fee schedule (Exhibit A of the Resolution), for consistency with the proposed ordinance. No business license fees are being decreased, increased, or added by this Resolution. Specifically, staff is proposing to:

- Delete "Close-Out Sale" and "Entertainment Manager"
- Change "Taxi Cab Vehicles" from Category C to Category B. The vehicles themselves are not subject to a criminal background check and should not be categorized in the fee schedule for that requirement.

The City Attorney has reviewed the Ordinance and Resolution and approved them as to form.

## **RECOMMENDATION**

Staff respectfully recommends the City Council conduct a public hearing, introduce, read by title only, and waive further reading of Ordinance No. 14-407, which amends Sections 6816 and 6817 of the Municipal Code related to the City Business Licensing Program. Staff also recommends the City Council approve Resolution No. 14-1746, approving adjustments to the business license fee categories.

Attachments: Exhibit A: Ordinance No. 14-407  
Exhibit B: Resolution No. 14-1746

# EXHIBIT A

## ORDINANCE NO. 14-407

### AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AGOURA HILLS, CALIFORNIA, AMENDING SECTIONS 6816 AND 6817 OF THE AGOURA HILLS MUNICIPAL CODE RELATED TO THE CITY BUSINESS LICENSING PROGRAM

THE CITY COUNCIL OF THE CITY OF AGOURA HILLS DOES ORDAIN AS FOLLOWS:

#### **Section 1. Findings and Intent.**

A. On May 8, 2013, the City Council of the City of Agoura Hills adopted Ordinance No. 14-406, that repealed Chapter 3 and Chapter 8 of Article VI of the Agoura Hills Municipal Code, and adopted new Chapter 8 of Article VI of the Agoura Hills Municipal Code to establish a business license program.

D. Ordinance 14-406 allows the City to administer the business license program itself, and no longer contract with the County of Los Angeles to administer the City's business license program, in order to provide residents and businesses in Agoura Hills convenient and local access to obtain a business license.

C. The purpose of this ordinance is to further streamline the business license program functions in the City by eliminating the business license requirement for certain business, and to further clarify certain business as being subject to the business license requirement and to obtain all other necessary governmental agency approvals.

**Section 2. CEQA.** The City Council hereby finds that it can be seen with certainty that there is no possibility the adoption of this Ordinance may have a significant effect on the environment because the adoption of this Ordinance merely amends and adds business license categories, which will not result in construction of structures, grading, intensification of uses, or other impacts that could cause potentially significant adverse environmental impacts. It is therefore exempt from California Environmental Quality Act review pursuant to Title 14, Section 15061(b)(3) of the California Code of Regulations.

**Section 3.** Section 6816 of Chapter 8 of Article VI (Taxes; Licenses; Business Regulations) of the Agoura Hills Municipal Code is hereby amended to read as follows:

#### **"6816 - Investigation of Specific Businesses.**

a. *Category B businesses – No criminal background check required.* Upon receipt of an application for one of the following businesses, the Director, or his or her designee, shall coordinate with several governmental entities to ensure compliance

with all applicable state and county codes as deemed necessary by the Director, and may obtain reports from the Building and Safety Department, Fire Department, County Animal Control, County Environmental Health Department, County Health Department, and any other agencies he or she deems necessary to determine if the criteria for issuance of a business license have been met:

- (1) Ambulance operator
- (2) Ambulance vehicle
- (3) Ambulance driver
- (4) Apartment houses with 16 or more units
- (5) Auto body & fender
- (6) Auto paint shop
- (7) Boarding house
- (8) Carnival game booth
- (9) Circus/travel show
- ~~(10)~~ ~~Close-out sale~~
- ~~(11)~~ ~~Coin game~~
- ~~(12)~~ ~~Cold storage warehouse~~
- (12) Farmers Market
- (13) Filling stations
- (14) Food establishment (food sales as an accessory use)
- (15) Hay, grain & feed
- (16) Hotel with 16 or more rooms
- (17) Launderette/laundromat
- (18) Livery stable
- (19) Lumberyard
- (20) Motor vehicle rental
- (21) Plant nursery
- (22) Public eating (eateries/restaurants where food is prepared)
- (23) Taxi cab vehicles (as defined in Section 7601-7618 of this Code)
- (24) Tow Truck

**Section 4.** Section 6817 of Chapter 8 of Article VI (Taxes; Licenses; Business Regulations) of the Agoura Hills Municipal Code is hereby amended to read as follows:

**"6817 - Investigation & Criminal Background Checks.**

a. *Category C Businesses – Criminal Background Check Required.* Upon receipt of an application for one of the following businesses, the Director, or his or her designee, shall: (1) coordinate with several governmental entities to ensure compliance with all applicable state and county codes as deemed necessary by the Director, and may obtain reports from the Building and Safety Department, Fire Department, County Animal Control, County Environmental Health Department, County Health Department, and any other agencies he or she deems necessary to determine if the criteria for issuance of a

business license have been met; and (2) conduct an investigation and criminal background check on the applicant(s):

- (1) Acupressure and acupressure technicians
- (2) Adult businesses (as defined in Section 9120.1.A.G of this Code)
- (3) Billiard room
- (4) Bookstore
- (5) Carnival
- (6) Dance
- (7) Entertainment
- ~~(8) Entertainment Manager~~
- ~~(9 8)~~ Exhibition (fee for entry)
- ~~(10 9)~~ Game arcade
- ~~(11 10)~~ Gun dealer
- ~~(12 11)~~ Health gym/spa
- ~~(13 12)~~ Locksmith
- ~~(14 13)~~ Massage establishment owner (owns 5% or more of the business and not certified under state massage therapy laws)
- ~~(15 14)~~ Model studio
- ~~(16 15)~~ Motor vehicle repair
- ~~(17 16)~~ Outdoor festival
- ~~(18 17)~~ Pawnbrokers and second hand dealers
- ~~(19 18)~~ Peddling-solicitation
- ~~(20 19)~~ Psychic reading
- ~~(21 20)~~ School private
- ~~(22) Second hand dealer~~
- ~~(23 21)~~ Taxi cab driver (as defined in Section 7601-7618 of this Code)
- ~~(24 22)~~ Taxi cab operator (as defined in Section 7601-7618 of this Code)
- ~~(25 23)~~ Theatre"

**Section 5. Severability.** If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase or portion thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or portions be declared invalid or unconstitutional.

**Section 6. Certification and Posting.** The City Clerk of the City of Agoura Hills shall certify to the passage and adoption of this Ordinance and shall cause the same, or a summary thereof, to be published and posted in the manner required by law. This Ordinance shall go into effect on the 31st day after its adoption.



**PASSED, APPROVED, AND ADOPTED** this \_\_\_\_ day of April, 2014, by the following vote to wit:

AYES: (0)  
NOES: (0)  
ABSTAIN: (0)  
ABSENT: (0)

CITY OF AGOURA HILLS:

\_\_\_\_\_  
William D. Koehler, Mayor

ATTEST:

\_\_\_\_\_  
Kimberly M. Rodrigues, MMC, City Clerk

APPROVED AS TO FORM:

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Candice K. Lee, City Attorney

# EXHIBIT B

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## RESOLUTION NO. 14-1746

### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AGOURA HILLS, CALIFORNIA, APPROVING ADJUSTMENTS TO THE BUSINESS LICENSE FEE CATEGORIES AUTHORIZED BY CHAPTER 8 OF ARTICLE VI OF THE AGOURA HILLS MUNICIPAL CODE

**WHEREAS**, on May 8, 2013, the City of Agoura Hills ("City") adopted Ordinance No. 13-401, entitled "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF AGOURA HILLS, CALIFORNIA, AMENDING THE AGOURA HILLS MUNICIPAL CODE BY REPEALING CHAPTER 3 OF ARTICLE VI OF THE AGOURA HILLS MUNICIPAL CODE AND AMENDING CHAPTER 8 OF ARTICLE VI OF THE AGOURA HILLS MUNICIPAL CODE IN ITS ENTIRETY AND ESTABLISHING A NEW BUSINESS LICENSING PROGRAM" ("Business License Ordinance").

**WHEREAS**, the City adopted the Business License Ordinance to establish one, streamlined regulatory mechanism whereby the City may review the management and ownership of specific types of businesses, maintain an accurate record of businesses conducting business in the City for statistical purposes, and assist in zoning compliance.

**WHEREAS**, the City requires any person wishing to conduct business in the City to obtain a business license from the City pursuant to the Business License Ordinance established by Chapter 8 of Article VI of the Agoura Hills Municipal Code.

**WHEREAS**, on May 8, 2013, the City approved Resolution No. 13-1701, adjusting the Business License Fees authorized by Chapter 8 of Article VI of the Agoura Hills Municipal Code. The Business License Fees set forth in Exhibit "A" of Resolution No. 13-1701 established the current amounts of Business License Fees imposed by the City.

**WHEREAS**, the City desires to amend the categories of the Business License Fees, for clarification purposes, by deleting two categories, and amending one category, for consistency with Ordinance No. 14-407.

**WHEREAS**, the proposed amendments to the categories of the Business License Fees included in Exhibit A of this Resolution, are intended to maintain the convenient processing of business license applications.

**WHEREAS**, The City Council hereby finds that it can be seen with certainty that there is no possibility the adoption of this Ordinance may have a significant effect on the environment because the adoption of this Ordinance merely deletes and amends business license categories within the fee schedule for clarification purposes, which will not result in construction of structures, grading, intensification of uses, or other impacts that could cause potentially significant adverse environmental impacts. It is therefore

exempt from California Environmental Quality Act review pursuant to Title 14, Section 15061(b)(3) of the California Code of Regulations.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AGOURA HILLS DOES RESOLVE AS FOLLOWS:**

Section 1. The City Council hereby adopts and approves the findings set forth above in support of this Resolution.

Section 2. The City Council has reviewed and considered the staff report and proposed notice of exemption from CEQA review prepared for the City's Business Registration Permit Program Fee. The City Council concurs with City staff's determination that the adoption of the Business License Fee does not constitute a project under CEQA pursuant to CEQA Guidelines Section 15378. City staff is therefore directed to prepare and file a Notice of Exemption with the County Clerk pursuant to CEQA Guidelines Section 15061(b)(3) within five (5) days of the date of this action.

Section 3. After reviewing the staff reports and all testimony and information received at the City Council meeting, the City Council hereby finds and determines as follows:

A. It is necessary, desirable, and in the public interest to maintain and adjust the existing Business License Fee categories.

B. The Business License Fees collected pursuant to Chapter 8 of Article VI of the Agoura Hills Municipal Code shall be used only to carry out the Business License Program, to ensure compliance with the City's codes, and to provide the City's public safety departments with a list of businesses operating in the City.

C. The purpose of the Business License Fees is to allow the City to recoup the actual and reasonable costs of the Business License Program.

D. The Business License Fee categories are intended to clarify the services needed, and not needed, for the processing of business license applications.

Section 4. The City Council finds and determines that in order to promote the public health, safety and welfare, to encourage businesses to comply with the Business License Program, and to facilitate the business licensing functions, it is desirable and necessary to amend the categories of the Business License Fees at this time. In effecting this policy, the City Council hereby amends the Business License Fees categories, as shown in strike-through in Exhibit A, attached hereto and incorporated herein by reference.

Section 5. The City Council desires to clarify that in adopting this Resolution, it is only amending the categories of the Business License Fees for clarification purposes by deleting two categories, and amending one category, for

consistency with proposed Ordinance No. 14-407. No business license fees are being decreased, increased or added by this Resolution. The remaining fees that have not been modified from prior resolutions are hereby restated for convenience so that all fees are set forth in one document.”

Section 6. This Resolution is to take effect on May 23, 2014, which is the effective date of Ordinance No. 14-407.

**PASSED, APPROVED, AND ADOPTED** this 23<sup>rd</sup> day of April, 2014, by the following vote to wit:

AYES: (0)  
NOES: (0)  
ABSTAIN: (0)  
ABSENT: (0)

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William D. Koehler, Mayor

ATTEST:

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Kimberly M. Rodrigues, MMC, City Clerk