



Agenda Item #: _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Aldinger and Members of the City Council

THROUGH: Geoff Dolan, City Manager

FROM: Lindy Coe-Juell, Assistant to the City Manager
Richard Thompson, Director of Community Development
Carol Jacobson, Building Official

DATE: March 4, 2008

SUBJECT: Consider Waiving Plan Check and Permit Fees for Photovoltaic Solar Panel Installation

RECOMMENDATION:

Staff recommends that the City Council waive the plan check and permit fees for photovoltaic solar panel installation on residential and commercial buildings for one year, to allow for a review period, and extend the waiver indefinitely if no significant issues arise during that year.

FISCAL IMPLICATION:

Over the last year, seven residential homes have installed photovoltaic solar panels with a total of \$4,535 charged by the City for plan check and permit fees for these projects. The fee charged varies based on the project value and averaged at \$648 per project last year. The amount of plan check and permit fee revenue lost will depend on the number of projects completed each year. However, we believe that this incentive to install solar panels should be provided and that the environmental benefit to the community will outweigh the cost of the lost revenue.

BACKGROUND:

Last year the City completed a comprehensive review of our current environmentally friendly practices and identified other best management practices for consideration. One of the practices identified for future consideration was to find ways to promote “green” building through incentives such as expedited plan review and reduced fees. Because the typical plan check process for solar panel installations can be completed in as little as one day, we believe that a fee waiver will be more effective as an incentive than expedited plan review. This is an opportune time to implement a fee waiver due to a new program that will be launched in the South Bay in the coming months.

DISCUSSION:

A company called SolarCity recently approached City staff to describe their program. This company provides a turnkey service to customers (their focus has been residential with some commercial) for installing photovoltaic solar panels. In summary, these panels convert sunlight into electricity that is available to the home and would be sent back to the grid for credit with the

utility company for any unused generated power. SolarCity has a unique marketing approach, in which they target a focused area using intense advertising to attract customers. They set a sales goal for this area, and if that sales target is met, they offer a discounted “community”, or group rate, price. SolarCity is planning to launch a three-month campaign in March that will target Manhattan Beach, Hermosa Beach and Redondo Beach. Based on SolarCity’s track record in other communities, we believe that the number of solar panel installation projects in Manhattan Beach will increase significantly this year due to their activity.

We are not endorsing this company above other solar installation companies. However, we believe that their campaign will spark interest from residents who would like to take advantage of their discounted pricing, and perhaps other solar companies will take notice of the activity and will work to be competitive in this market. It is our hope that the additional incentive of reduced fees from the City plan check process will provide another incentive for solar installation projects in our City.

In conclusion, staff recommends that the City Council waive the plan check and permit fees for photovoltaic solar panel installation on residential and commercial buildings for one year and extend the waiver indefinitely if no significant issues arise during that year.