CITY COUNCIL/REDEVELOPMENT AGENCY

AGENDA ITEM 6.03
TO: Mayor and City Council

FROM: Michael M. Niblock, Director
Community Development Department

SUBJECT: REFUND OF FEES TO K. HOVANIAN FORECAST HOMES

RECOMMENDATION

Adopt a resolution authorizing the refund of Building Permit Fees collected on Permit Nos. 07-2504, 07-2507, 07-2511, 07-2512, 07-2516, 07-2517, 07-2518, 07-2523, 07-2524 issued to K. Hovnanian Forecast Homes in the amount of $308,938.66.

Summary

Nine Building Permits were issued to K. Hovnanian Forecast Homes for the proposed construction of nine single family homes located at various addresses. Due to the economy, K. Hovnanian Forecast Homes has decided not to go ahead with construction at this time and has requested a partial refund of applicable Building Permit fees.

DISCUSSION

Background

On May 21, 2007, building permit fees were paid for Permit Nos. 07-2504, 07-2507, 07-2511, 07-2512, 07-2516, 07-2517, 07-2518, 07-2523, 07-2524 to construct nine single family homes. K. Hovnanian Forecast Homes has cancelled the project, due to current economic conditions, and requested a refund of the permit fees.

The total amount of fees paid on Permit Nos. 07-2504, 07-2507, 07-2511, 07-2512, 07-2516, 07-2517, 07-2518, 07-2523, 07-2524 was $328,285.84. Fees for plan check, administration fees and microfilm fees are not subject to refund; since these fees cover the costs incurred by the City of Stockton for time spent reviewing the project submittals. As a result, K. Hovnanian Forecast Homes is entitled to a partial refund of $308,938.66 for Permit Nos. 07-2504, 07-2507, 07-2511, 07-2512, 07-2516, 07-2517, 07-2518, 07-2523, 07-2524.

Present Situation

It is recommended that a resolution be adopted to authorize a refund to K. Hovnanian Forecast Homes for Permit Nos. 07-2504, 07-2507, 07-2511, 07-2512, 07-2516, 07-2517, 07-2518, 07-2523, 07-2524. The fee amounts recommended for refund are itemized in Exhibit ‘A’. The total refund request is $308,938.66.
RESOLUTION AUTHORIZING THE REFUND OF NINE BUILDING PERMITS ISSUED TO K. HOVNANIAN FORECAST HOMES IN THE AMOUNT OF $308,938.66

Finally, it should be noted that when the new construction permits are ultimately issued for these locations, the fees received may be greater, reflecting any increased fee schedule adopted by the City Council.

FINANCIAL SUMMARY

The refunds will be paid from revenues already received, less any administrative or actual costs incurred.

Respectfully submitted,

Michael M. Niblock, Director
Community Development Department

Approved by

J. Gordon Palmer, Jr.
City Manager

MMN: mj

cc: City Attorney w/attachments
    City Clerk w/attachments
    City Manager w/attachments
Resolution No. __________

STOCKTON CITY COUNCIL

RESOLUTION AUTHORIZING THE REFUND OF NINE BUILDING PERMITS ISSUED TO K. HOVNANIAN FORECAST HOMES IN THE AMOUNT OF $308,938.66.

Building Permit Nos. 07-2504, 07-2507, 07-2511, 07-2512, 07-2516, 07-2517, 07-2518, 07-2523, and 07-2524 were issued to K. Hovnanian Forecast Homes for the proposed construction of nine single-family homes located at various addresses.

Due to current economic conditions, K. Hovnanian Forecast Homes decided not to proceed with construction at this time.

When construction resumes, new building permits will be issued; however, in the interim, K. Hovnanian Homes has requested a refund in the amount of $308,938.66; now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The City Manager is authorized to refund the sum of $308,938.66 to K. Hovnanian Forecast Homes.

2. The City Manager is authorized to take such other actions as are appropriate to carry out the intent of this Resolution.

PASSED, APPROVED, and ADOPTED ________________

ATTEST:

ANN JOHNSTON
Mayor of the City of Stockton

KATHERINE GONG MEISSNER
City Clerk of the City of Stockton