



City Council Report

Date: May 2, 2013
To: City Council
Through: Kari Kent, Deputy City Manager
From: Christine Zielonka, Development and Sustainability Dept. Director
Subject: Recommended Fee and Charges Updates: Development & Sustainability

**Strategic
Initiatives**



Purpose and Recommendation

The purpose of this report is to recommend modifications to fees charged by the Development and Sustainability Department for fiscal year 2013-2014. The Department consists of three areas: Planning, Development Services and Environmental and Sustainability. The proposed fee modifications include only Planning and Development Services.

Background

Various fees are charged for services related to the land development process in Planning and Development Services. Fees and fines are also assessed by the Code Compliance section for violation of the Zoning and Nuisance Codes. All fees are reviewed annually to insure they are aligned with the cost of providing the service or, in the case of Code penalties, are proportionate to the violation.

Discussion

TECHNOLOGY FEE

A dedicated Technology Fee was adopted by Council several years ago to establish a strategic fund to pay for replacement, maintenance and life cycle costs of the permitting and code compliance system (Development Information Management Enterprise System, DIMES). At the time of initial adoption the fee was set at 4% of the cost of all permits with a cap of \$400. Based on our experience it has become clear that larger projects do use more of the technology application (more reviews and comments, more complex plan review, and increased inspections to track).

Therefore, we are recommending that the cap be raised to \$800 to more fully cover the cost of using the technology. Based on the level of activity in FY 12/13 to-date we estimate approximately 80 projects/permits would exceed the \$400 cap resulting in approximately \$32,000 additional revenue dedicated to DIMES. Over the next year we will look at options for a sliding fee schedule for larger projects, and make a recommendation for possible additional modifications as part of the FY 13/14 budget process.

PLANNING

The Planning Division has several changes to make to the fee schedule. These changes listed below will list additional fees, revise language and deleted fees which are no longer collected due to information being available on the City's Website.

1. A new fee has been added to Planning Services Fees. A few years ago the Council added a new zoning category: Planned Community District. Once one of these districts is approved by Council along with the Community Plan, it is possible that there will be a need in the future to amend the approved plan. The current fee schedule does not include a fee to be charged for amendments to the Community Plan. The zoning ordinance makes allowances for both minor (approved administratively) and major (requiring Council approval) amendments. It is recommended that we set a fee for a minor amendment at \$2,400, and that major amendments be the same as the initial zoning because it is required to go back through the same process. This will align the cost of providing the service by staff.
2. The Community Plan for the Planned Community District also includes Development Unit Plans which provide more detail for the District. It is recommended that the Development Unit Plans (DUP) application fee be revised from \$2,500 plus \$25/acre to \$2,500 plus \$60/acre for the first 100 acres, \$2,500 plus \$20/acre for 101-200 acres, \$2,500 plus \$10/acre for 201 plus acres. When this fee was established a couple of years ago we had not yet processed any Development Unit Plans. Our expectation at the time was that processing of a Development Unit Plan should be fairly simple and not require significant staff time. Our experience to-date with the plans we have processed is that there is still significant detail being worked out through the DUP and it has taken significantly more time than anticipated. The recommended revised fee will provide revenue more consistent with the cost of the staff time involved in processing these cases and should result in a higher level of cost recovery.

Note: Staff has communicated the proposed fee increases to representatives for the two properties that current have the Planned Community zoning district. Responses from these two indicate there is agreement with the proposed minor community plan amendment fee, but concern was expressed for the significance of the fee increase for processing of Development Unit

Plans. The concern expressed is that this is too much of an increase at one time and could create a dis-incentive for using this zoning district and process.

Based on this feedback, staff is proposing that the amount of increase be lowered as shown in this table:

Current Adopted Fee	Previously Proposed Fee	Revised Proposed Fee
\$2,500	\$2,500	\$2,500
plus \$25/acre	plus \$125/acre first 100	plus \$60/acre first 100
	plus \$20/acre 101-200	plus \$20/acre 101-200
	plus \$10/acre 201+	plus \$10/acre 201+

3. An abbreviation has been added for Historic Preservation Fees to include HL for Historic Landmark. The fees in the fee schedule with regards to historic preservation apply to two situations. One is for businesses (primarily new cell towers) that need to receive a review of their impact on existing or potential historic or archaeology sites as required by Section 106 of the Federal Historic Preservation Act. The fee charged for the staff time to conduct these reviews is \$160. The other fee associated with historic preservation is the \$50 fee charged for the staff time to review a request for a Certificate of Appropriateness. A Certificate of Appropriateness is the review provided by the Historic Preservation Office to ensure that a proposed modification to a structure in an established local historic district is consistent with the historic character. The zoning ordinance specifically exempts requests to create local historic districts from being charged a rezoning fee as part of the incentive to create such districts. Staff has reviewed the fee associated with the Section 106 review for cell towers and is not making a recommendation to lower this fee.
4. Addition of a hyphen correction on Non-Residential and Multi-Residential and deletion of the # symbol.
5. Addition of a hyphen on Multi- Residential.
6. Annexation Equity Fee languages deleting General Government and Cultural Facilities as these impact fee categories are no longer allowed per state statute; and to include Solid Waste Residential Development Tax.
7. Listed under Miscellaneous delete General Plan Book fee of \$90.00 this information is provided on the Internet.
8. Listed under Miscellaneous delete Zoning Ordinance fee of \$50.00 this information is provided on the Internet.
9. Listed under Miscellaneous delete Zoning Maps fee of \$50.00 this information is provided on the Internet.

10. Listed under Miscellaneous delete Annual Statistical Reports fee of \$10.00 this information is provided on the Internet.

DEVELOPMENT SERVICES

Development Services (Building and Civil Engineering Plan Review, Inspections and Code Compliance) miscellaneous permits, services and fees:

1. Utility Service Fee language has been revised deleting General Government and Cultural Facilities these impact fee categories are no longer allowed per state statute; and to include language revision of Solid Waste Residential Development Tax.
2. Add the Compliance Agreement Fee of \$150 for complicated circumstances which make coming into compliance with either the Zoning Code or Nuisance Code a difficult and lengthy process. The compliance agreement establishes the required compliance actions and a timeline for the owner to complete those actions. This will increase the flexibility of Code Compliance staff when trying to resolve complex non-compliance situations. The fee will help to cover the staff cost of providing the service.

Alternatives

Alternatives to the recommended fee modifications could include increasing, decreasing or making no changes to the various fees.

Fiscal Impact

If the fee modifications recommended under the Planning and Development Services sections are not implemented it would make the relationship to the actual cost of providing the services less accurate.

Total estimated FY13/14 Fiscal impact for Planning is \$18,200

Total estimated FY13/14 Fiscal impact for Development Services is \$32,300