



Fees and Charges Report

Date: April 21, 2025

To: Audit, Finance, and Enterprise Committee

Through: Marc Heirshberg, Deputy City Manager

From: Nana Appiah, Development Services Director
Sheri Collins, Solid Waste Director
Susan Lu, Sr. Fiscal Analyst

Subject: Development Services Department Update to Schedule of Fees and Charges, Citywide

Purpose and Recommendation

The purpose of this report is to clarify language in the current Development Services Department Fee Schedule and add a fee for the Adaptive Reuse Permit (adopted by City Council in December 2024). The proposed fee schedule also includes an increase to the Solid Waste Residential Development Fee to reflect the increased cost of providing the service. If the proposed changes are approved by City Council, the fees and charges will be effective July 1, 2025.

Background

The Development Services Department consists of five divisions: Planning, Building Safety, Civil Engineering Review, Permit and Customer Services, and Special Projects. Fees are charged for land development processes administered by the Development Services Department. Fees are reviewed regularly to ensure description clarity and that costs accurately reflect the services provided.

Discussion

The Development Services Department has two fee schedules, one entitled "Development Services" and the other "Planning Service Fees." Proposed changes to each schedule are listed and detailed below.

DEVELOPMENT SERVICES (Exhibit A)

The Development Services Department is proposing the following fee changes:

1. Updating the Utility Service Fee language to remove retired impact fees from the description including Parks, Library, Fire, Storm Water, Water, and Wastewater impacts fees.
2. Modifying the Solid Waste Residential Development Fee description to update department name from Development and Sustainability to Development Services.

3. Increasing the Solid Waste Residential Development Fee for both a) Manufactured Home or Recreational Vehicle and b) Multi-Family Dwelling (two or more units per building) from \$62 to \$109. Title 5, Chapter 13, Section 2(B) of the Mesa City Code requires the Development Services Director to levy and collect a Solid Waste Residential Development Fee to defray the cost of providing solid waste collection services to a) new residential manufactured home or recreational vehicle spaces or lots, and b) new residential multi family dwelling units. The increase of \$47 helps offset some of the increased costs of service.
4. Maintaining the Solid Waste Residential Development Fee for Single-Residence (attached and detached) at \$311 per dwelling unit. Concurrently with the Fees and Charges process, Mesa City Code Section 5-13-2 language is being amended effective June 2025 to require readoption in the City of Mesa Schedule of Fees and Charges.

PLANNING SERVICE FEES (Exhibit B)

The Development Services Department is proposing the following modifications:

1. Updating Annexation Equity Fee language:

The Development Services Department collects an Annexation Equity Fee for customer requests for annexations into city limits. The Annexation Equity Fee is to equal the sum of all Mesa Development Impact fees. The department proposes to remove Parks, Library, Fire, Storm Water, Water, and Wastewater from the Impact fees listed in the fee language. These impact fees have been retired. The update in fee language will clarify the calculation of the Annexation Equity Fee.

Additionally, the following language was added to the fee language to codify potential credit due to the customer if the Outside City Utility Service fee was paid prior to annexation part of a Utility Service Agreement:

This sum shall be based on the fees in effect as of the Annexation Date. If fees pursuant to a Utility Service Agreement were paid for the same property subject to the Annexation, the Annexation Equity Fee will be offset by fee amounts paid under the Utility Agreement if the specific fee name is currently assessed upon applicant's Annexation Fee payment date. If the paid Utility Service Agreement fee total eligible for offset exceeds the Annexation Equity Fee Amount, a refund will not be provided.

2. Modifying the Zoning Application "Fees" fee category to "Pre-Plat"

The proposed change clarifies that the category of fees below in the fee schedule are associated with Pre-Plat applications.

3. Standardizing language in the Fee Schedule

The word "Fee" is removed from several fees identified to ensure the language is consistent in the Fee Schedule. The Board of Adjustment App Fee is updated to Board of Adjustment Application.

4. Clarifying Zoning Designations no longer exempt from fees

This change clarifies that uses in Semi Public Facilities (PS), Airfield (AF), and Downtown Events (DE) zoning districts are not exempt from application fees.

5. Adding Adaptive Reuse Permit Fee

The text amendment creating the Adaptive Reuse Permit was adopted by City Council in December 2024. Adding the Adaptive Reuse Permit fee will allow the City to recover the cost to review the Adaptive Reuse Permit applications.

Methodology

Development Services Department Fee Schedule was reviewed to ensure compliance with State reporting statutes and to ensure that the language was clear for applicants and residents.

Alternatives

Modify the proposed fees to include a smaller or larger increase than recommended.

Make no changes to the proposed fee recommendations.

Fiscal Impact

The total estimated fiscal impact resulting from the changes proposed in the Development Services Department Fee Schedule is \$16,685.

The total estimated fiscal impact resulting from the changes proposed in the Planning Service Fee Schedule is \$6,000.

Fees & Charges Schedule – Key

Heading Configuration

<u>Schedule of Fees & Charges</u>
Department
Contact Information
HEADING 1
HEADING 2
<i>Heading 3</i>
Description of Fee
Description of Fee 2

Font Indications

Font	Font Indications
Regular Font	Existing fee or language
Strikethrough	Fee or language will be deleted from the Fee Schedule
BOLD CAPS	Language is being added to Fee Schedule
Bold	New or increased Fee Amount

Schedule of Fees & Charges

Exhibit A – Development Services

Department: Development Services

Description of Service	Current Fee Range	Proposed Fee Range	Unit	Total Fiscal Impact	Notes
COMMERCIAL SECTOR					
<u>Solid Waste Residential Development Fee</u>					
Title 5, Chapter 13, Section 5-13-2 of the Mesa City Code requires the Development SERVICES and Sustainability DIRECTOR TO Director to levy a Solid Waste Residential Development Fee to defray the cost of providing solid waste services to new residential development as follows					Update the department name from Development Services and Sustainability to Development Services as well as correct a misspelling.
Single-Residence (attached & detached)	\$311.00		Dwelling Unit	\$ 0	The fee amount is not changing. The City Code 5-13-2 language is being amended effective June 2025, requiring fee amount readoption in the City of Mesa Schedule of Fees and Charges.
Manufactured Home or Recreational Vehicle	\$62.00	\$109.00	Dwelling Unit	\$ 235	The \$47 increase will help cover increased costs of providing the service. As above in Note to the Single-Residence Fee, City Code Section 5-13-2 is being amended requiring readoption of this fee in the City of Mesa Schedule of Fees and Charges.
Multi-Family Dwelling (two or more units per building)	\$62.00	\$ 109.00	Dwelling Unit	\$ 16,450	The \$47 increase will help cover increased costs of providing the service. As above in Note to the Single-Residence Fee, City Code Section 5-13-2 is being amended requiring readoption of this fee in the City of Mesa Schedule of Fees and Charges.

Description of Service	Current Fee Range	Proposed Fee Range	Unit	Total Fiscal Impact	Notes
<u>OUTSIDE CITY UTILITY SERVICE REQUESTS</u>					
<i>Utility Service Fee</i>					
<p>Shall equal the sum of adding all the Mesa Development Impact Fees (Parks, Library, Fire, Public Safety, Storm Water, AND THE Solid Waste Residential Development Fee), except Water and Waste Water, that would be imposed if the existing development on the property were presently occurring within the City. This sum shall be based on the fees in effect as of the date the service connection is requested.</p>				\$0	Update fee language to strike retired impact fees.

Estimated Total Annual Fiscal Impact: \$16,685

Schedule of Fees & Charges

Exhibit B – Planning Services Fees

Department: Development Services

Description of Service	Current Fee Range	Proposed Fee Range	Unit	Total Fiscal Impact	Notes
PLANNING SERVICE FEES					
<i>Semi-Public Facilities (PS), Airfield (AF), Downtown Events (DE), Historic Landmark (HL), and Historic District (HD) Overlay</i>				\$ 0	Semi-Public Facilities, Airfields, and Downtown Events are land designations that are mostly property owned by the City. These designations are subjected to entitlement fees like all other applications. By striking these designations from the fee language, they will no longer be exempt.
<i>Historic Preservation Fees</i>				\$ 0	Strike the word "Fee" to standardize fee category descriptions.
<i>Design Review Board Fees</i>				\$ 0	Strike the word "Fee" to standardize fee category descriptions.
<i>Subdivision Development Review Fees</i>				\$ 0	Strike the word "Fee" to standardize fee category descriptions.
<i>Zoning Administration Application Fees-PRE-PLAT</i>				\$ 0	Renaming fee section name to better reflect the type of fees within the category
ADAPTIVE REUSE PERMIT FEE		\$1,000.00	PER SUBMISSION	\$ 6,000	City Council adopted text amendment to create the Adaptive Reuse Permits. Fee is added to recover cost of service provided in reviewing this new type of permit submission.
Board of Adjustment App APPLICATION Fees				\$ 0	Clarify fee description to spell out application and remove word "fee" to standardize with other fee descriptions

Description of Service	Current Fee Range	Proposed Fee Range	Unit	Total Fiscal Impact	Notes
<i>Board of Adjustment App APPLICATION Fees</i>					Spell out application in the section header.
<i>Annexation</i>					
Annexation Equity Fee					
<p>Shall equal the sum of adding all the Mesa Development Impact Fees (Parks, Library, Fire, Public Safety, Storm Water, Solid Waste Residential Development Fee), except Water and Wastewater, that would be imposed if the existing development on the annexing property were presently occurring within the City. This sum shall be based on the fees in effect as of the date of the annexation petitions are released. ANNEXATION DATE. IF FEES PURSUANT TO A UTILITY AGREEMENT WERE PAID FOR THE SAME PROPERTY SUBJECT TO THE ANNEXATION, THE ANNEXATION EQUITY FEE WILL BE OFFSET BY FEE AMOUNTS PAID UNDER THE UTILITY AGREEMENT IF THE SPECIFIC FEE NAME IS CURRENTLY ASSESSED UPON APPLICANT'S ANNEXATION FEE PAYMENT DATE. IF THE PAID UTILITY SERVICE AGREEMENT FEE TOTAL ELIGIBILITY FOR OTHER OFFSET EXCEEDS THE ANNEXATION EQUITY FEE AMOUNT, A REFUND WILL NOT BE PROVIDED.</p>				\$ 0	Update fee language to strike retired impact fees as well as add language regarding credits to customers previously paid Utility Service fee.

Estimated Total Annual Fiscal Impact: \$ 6,000.00