

EXECUTIVE SUMMARY



To: Bogdan Vitas, City Manager

Through: Donald Leland Craig, AICP, Planning Director

From: Donald Leland Craig, AICP Planning Director

Meeting Date: February 20, 2013

RE: New HARC Fees and Revised Planning Department Fees

ACTION STATEMENT:

Request: Amending City Commission Resolution 08-196 to reflect the proposed revised Planning Department fees and addition of new HARC fees for applications processed by the Planning Department.

Location: City wide

BACKGROUND: As a part of the city budget discussion this past summer, the City Commission approved in concept the use of a fee for applications to HARC. The adopted budget assumed that HARC fees would be received but discounted the anticipated total amount by 50% to account for delays in fee collections, implementation, and possible inaccuracies in the projected number and type of applications. Since the budget discussions, Planning and HARC staff have analyzed the types of HARC permits processed, the amount of staff time required for review, processing and inspection. Based on this analysis and the historically high number of HARC applications which never result in a subsequent permit (between 30 and 40%) the new fees have been proposed.

The number of HARC applications processed has increased 37% over three years, 1304 in FY 09-10 vs. 2073 FY 11-12, indicating a strengthening economy. However, staff resources for processing applications have not increased. The addition of a fee may engender thoughtful rather scattershot applications.

Planning fees were also analyzed by the Planning staff to determine whether as presently constituted are appropriate. Planning fees were last updated in 2008. Rather than propose an across the board fee increase reflective of the rise in Consumer Price Index (CPI), staff has focused on fees that are non-existent for applications or services actually provided, and fees that are grossly small in relationship to the amount of work provided by staff. Also new Planning fees are proposed to account for the fact that in mid-2013, new Building Permit Allocations will be available and applications for obtaining such must be processed. The proposed fee schedule was reviewed with the Planning Board which endorsed all of the proposed changes.

The attached existing fee schedule has been modified to illustrate the revised and new fees, inclusive of HARC fees. Existing HARC fees are changed only at the time of actual building permit and again account for only 60-70% of the permits actually reviewed by the HARC Planner and HARC Commission. The fees are based on the value of the building permit, and are:

Table 1 – HARC Fee Schedule

Residential painting	\$ 10.00
Construction / Alterations / Repairs:	
Less than \$2,500	\$ 25.00
\$2,501 - \$15,000	\$ 50.00
\$15,001 - \$25,000	\$ 100.00
\$25,001 - \$50,000	\$ 125.00
\$50,001 - \$100,000	\$ 150.00
\$100,001 - \$200,000	\$ 200.00
\$200,001 - \$300,000	\$ 250.00
\$300,001 - \$400,000	\$ 300.00
\$400,001 - \$500,000	\$ 400.00
\$500,001 - \$1,000,000	\$ 500.00
\$1,000,000 or more	\$1,000.00
Demolitions	\$ 50.00

The new proposed HARC application fees to offset the cost of staff and HARC review, advertising, and meetings are the following:

Minor Project	\$ 50.00
Major Project	\$ 100.00
Inspection Fee	\$ 25.00

A Minor project is one that involves fencing, a minor alteration or addition, change of windows, etc. No application fee will be charged for residential painting. A Major project is one which involves a new commercial or residential structure(s), major additions, major remodelings, demolitions and structure relocations.

Previous City Actions: The City Commission approved the concept of HARC fees in the 2012-2013 budget. The City Commission approved Resolution 08-196 setting the present Planning Department fees, which did not include a fee for initial HARC applications.

Planning Staff Analysis: See background statement above. In addition it is staff's observation that the City needs to recover a portion, not all, of the costs of providing planning services provided to citizens recognizing that the Planning Department is not a self-funding enterprise district or cost center.

Options/Advantages/Disadvantages:

Option 1: Approve the revised Planning Department fees and new HARC fees.

1. **Consistency with the City's Strategic Plan, Vision, and Mission:** This action would provide enhanced services consistent with mission and vision of the City
2. **Financial Impact:** There will be a direct positive impact to the City by providing better recovery of the costs of providing personnel for the Planning and HARC function to serve citizens.

Option 2: Do not approve the change in Planning Department fees and addition of new HARC fees.

1. **Consistency with the City's Strategic Plan, Vision, and Mission:** This action would not be consistent with providing cost effective services for the citizens wherein the applicant for a discretionary service pays for that privilege.
2. **Financial Impact:** There would continue to be a negative impact on the fiscal health of the City in that fees are not collected for professional services provided.

Attachments:

1. **Draft resolution approving revised fee schedule**
2. **Proposed Fee Revision Schedule**
3. **City Commission Resolution 08-196**
4. **2011-2012 HARC Year End Report**

Recommendation

The Planning Department recommends **approval** of amending City Commission Resolution 08-196 to implement revised Planning Department fees and setting new HARC fees.