

Item # 7

**Carson City
Agenda Report**

Date Submitted: July 10, 2007

Agenda Date Requested: July 19, 2007

Time Requested: 15 Minutes

To: Mayor and Supervisors

From: Development Services

Subject Title: Action to accept the Cost Study for Planning, Building and Engineering Permits, Applications and Inspections and to direct staff to prepare ordinance(s) to increase Planning and Engineering fees.

Staff Summary: Based on the work flow study presented to the Board and at the direction of the Board of Supervisors, the Department commissioned a study to look at the actual costs of reviewing building permit applications, engineering applications and planning applications. The study showed that the cost for services was \$3,178,000 in FY2006/2007 and the total revenues collected were \$1,798,000 for a General Fund subsidy of \$1,380,000. The recommendation that staff is suggesting is to only increase the fees by an amount necessary to cover the direct salary costs of \$520,000. The General Fund subsidy remaining covers general city overhead and those processes that are of a general nature and not permit supported. The cost study did take into account the reorganization of the Development Services Department. The cost study was presented to the Builders Association of Western Nevada (BAWN) Executive Board in June 2007. BAWN offered suggestions that were incorporated into the proposal before you today. The additional item that they asked about was the implementation process. Additionally, staff looked at comparisons with neighboring counties and selected cities.

Type of Action Requested: (check one)

Resolution

Ordinance

Formal Action/Motion

Other (Specify)

Does This Action Require A Business Impact Statement: Yes No

Recommended Board Action: I move to accept the Cost Study for Planning, Building and Engineering Permits, Applications and Inspections and direct staff to prepare ordinance(s) to increase Planning and Engineering fees

Explanation for Recommended Board Action: It has been several years since fees were increased for Planning permits and applications and probably 20 years since Engineering fees have been increased and all the while, costs for providing these services have been increasing. The last increase in Planning fees reduced the General Fund subsidy from around 90% to 60%. It has been the direction of the City through past actions to have service users cover the cost for the service providers. This action would begin the process to increase fees to more adequately make Development Services user supported.

Applicable Statue, Code, Policy, Rule or Regulation: None

Fiscal Impact: None with this action - potential of increasing fees in the future by \$520,000.

Explanation of Impact: The actual fee increases would be implemented by ordinance which, at that time, would require public hearings and Business Impact Statements.


Funding Source: N/A

Alternatives: Do not accept the premis of needing to increase fees to cover costs and do not have staff start the ordinance process.


Supporting Material: Presentation slides and exhibits.

Prepared By: Lawrence A. Werner, P.E., P.L.S., Director/City Engineer


Reviewed By:



 (City Manager)



 (District Attorney)



 (Finance Director)

Date: 7/10/07

Date: July 10, 2007

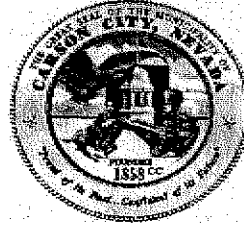
Date: 7/10/07

Board Action Taken:

Motion: _____ 1) _____ Aye/Nay
 _____ 2) _____

(Vote Recorded By)

**DEVELOPMENT SERVICES
COST STUDY**
Carson City Board of Supervisors
July 19, 2007



Background

- Determine Direct Costs for Fees by Division
- Reorganization of Development Services Department
- Funding for Department; Combination of General Fund (43%) and Service Fees
- Make Recommendation on Fees Based on Application Processing Direct Costs

Study Goals

- Obtain Cost Data for Each Application and Permit Request
- Review Costs with Revenues
 - Department Totals
 - Division Portion of Revenues and Costs
- Consider Future Fee Structure to:
 - Balance Fee to Cost

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Assumptions

- Workload Remains the Same as Average of Last 3 Years
- Staffing of Each Division Remains the Same
- Use of Studies from MAXIMUS and Mahoney Associates Provide Basis of Costs
- Current Budgets Remain the Same for Each Division
- Harris Study to Provide Clarification on Building's Fees

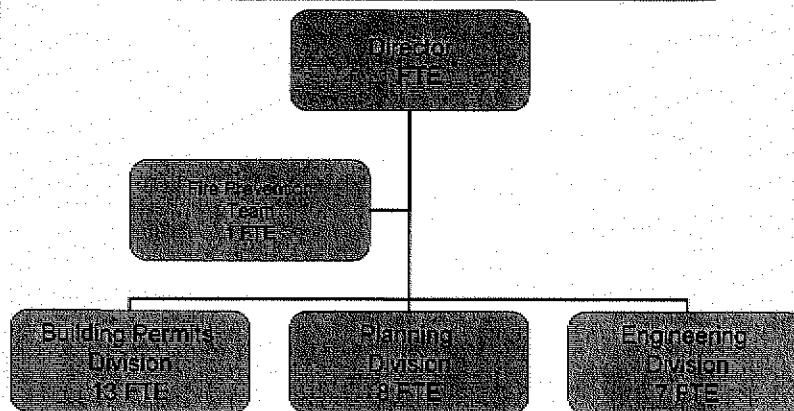
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Assumptions (cont)

- Long Range Planning is a General Funded Service, not included in Study
- Sewer and Water Fees not Included in Development Services Funds
- Public Outreach and Services are General Funded (answering questions, attending public meetings and assisting with applications)

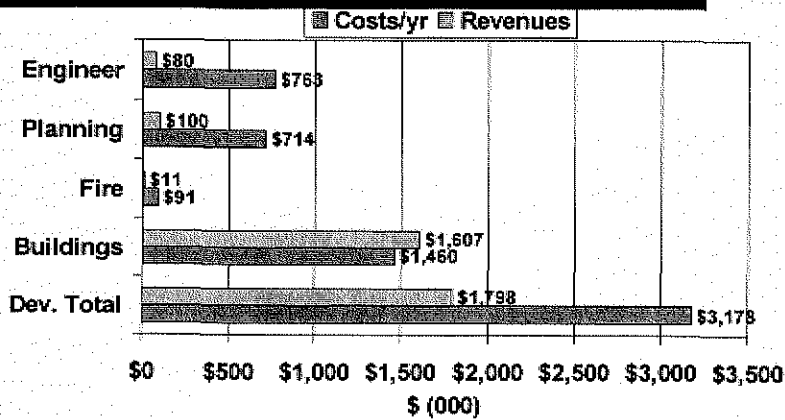
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Development Services



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Development Services Costs vs. Revenues: Current Year Budget



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General Funded Items

- Processes: Major Project Reviews, Down-Town Design Reviews, Historic Resource Commission Reviews. Totals approximately \$150K/year
- Public Outreach Questions and Assistance
 - Estimated 3-4 Man Years
- Services Continue to be General Funded
 - Total = \$350 - \$450K per year (11-14%)

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Future Fee Considerations

- **Adjust Fees to Recover Direct Costs**
(Burdened Labor, Supplies, Equipment and Services)
- **Review All of Department for Full Accounting of Indirect Costs of Operations**
- **Annually Review Costs and Fees**
- **Continue General Fund Pay for Public Outreach Services (MPR, DTR, HRGR)**

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Study Methodology

- **Determine Division and Department Costs (budget)**
- **Determine Costs to Process Applications**
 - By Division within Department
 - By Fee Item
- **Recommend Adjustments to Fee Schedule**

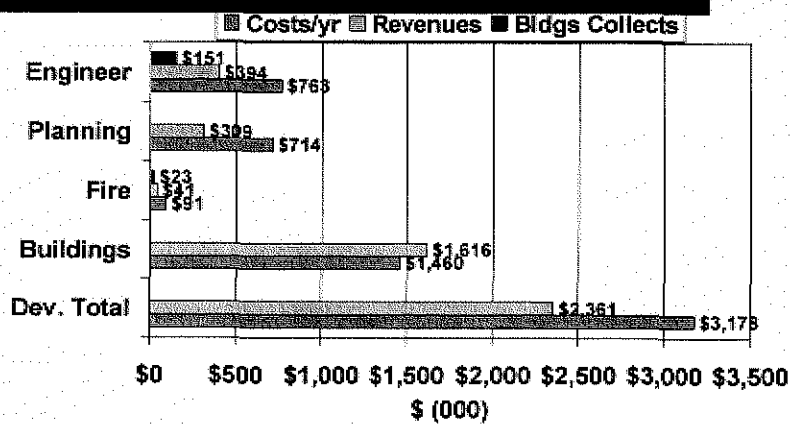
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Recommended Planning & Building Application Fees

- Increase Building fees to cover Planning, Fire Prevention, & Engineering plan check costs related to building permits.
- Increase Engineering and Fire Prevention permit and inspection fees to cover direct costs.
- Increase Planning fees to cover direct costs.

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Development Costs vs Revenues



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Results

- Ensures Clients Only Paying for Cost of Required Services
- Annual Reviews Fine Tune Fees to Costs of Services
- Initial Increase of Annual Department Revenues approximately \$520K

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Adjusted Fees Examples of Planning Fee Changes

FEE ITEM	Current Fee	New Fee
Abandonment (ROW)	\$700	\$2,450
Administrative Permit	\$500	\$750 +\$60/h
Appeal of Decision	\$50	\$1,800
Zone Change	\$1,500	\$2,450
Master Plan Amendment	\$2,000	\$3,050
Final Subdivision Map	\$800	\$1,800
Lot Line Adjustment	\$250	\$500 +\$60/h
Special Use Permit (Major)	\$1,200	\$2,450

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Adjusted Fees Example of Engineer Fee Changes

<u>FEE ITEM</u>	<u>Current Fee</u>	<u>New Fee</u>
Engr. Permit Fee	\$75	\$120 + 65/hr
Driveways (<16 16-20 >20)	\$30 \$40 \$50	\$120
Curb & Gutter (+ over 100ft)	\$25 + 0.20	\$120 + 0.25
Pipe Trench (+ over 1000ft)	\$75 + 0.05	\$120 + 0.10
Grading Permit	Quantity Table	Same

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QUESTIONS

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Development Services Director
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FY 2007 Proposed Engineering Fees		
Engineer Fee Item	Current Fee	Proposed Fee
Grading Permits	Quantity Table	Same
Engineering Permit Fees	\$75.00	\$120.00 base + \$65/hr. over 1st hour
Curb and Gutter (participation as well)	\$25.00 + \$0.2/ft over 100ft.	\$120.00 + \$0.25/ft over 100ft.
Driveways	\$30.00 <16; \$40.00 16-20; \$50.00 >20	\$120.00
Pipeline Trenching	\$75.00 + \$0.05/ft over 1000ft.	\$120.00 + \$0.10/ft over 1000ft.
Reclaim Water lateral	\$75.00	\$120.00
Reclaim Water main	\$75.00 + \$0.05/ft over 1000 ft	\$120.00 + \$0.10/ft over 1000ft.
Sidewalks & S.W. Participation	\$25.00 + \$0.05/sf over 200sf; \$2.50/sf of Part.	\$120.00 + \$0.10/sf over 200sf.
Storm Drain	\$75.00 + 0.05/ft over 1000ft	\$120.00 + \$0.10/ft over 1000ft.
Sewer Main	\$75.00 + 0.05/ft over 1000ft	\$120.00 + \$0.10/ft over 1000ft.
Sewer Lateral	\$75.00 + 0.05/ft over 1000ft	\$120.00 + \$0.10/ft over 1000ft.
Water Main	\$75.00 + 0.05/ft over 1000ft	\$120.00 + \$0.10/ft over 1000ft.
Water Lateral	\$75.00 + 0.05/ft over 1000ft	\$120.00 + \$0.10/ft over 1000ft.

Exhibit B

FY 2007 Proposed Planning Fees		
Planning Fee Item	Current Fee	Proposed Fee
Abandonment of Right of Way	\$700	\$2,450
Abandonment of Public Utility Ease.	\$700	\$1,850
Administrative Permit	\$500	\$750 + \$60/hr. over 10 hours
Appeal of Decision	\$50	\$250 + \$60/hr. over 4 hours
Change of Land Use (rezoning)	\$1,500	\$2,450
Continuance Request	\$150	\$600
Final Subdivision Map	\$800	\$1,800
Final PUD Map	\$800	\$3,550
Land Division Map	\$250	\$750
Lot Line Adjustment	\$250	\$500 + \$60/hr. over 4 hours
Lot Line Deletion	Recording Fee	\$500 + \$60/hr. over 4 hours
Master Plan Amendment	\$2,000	\$3,050
Mobile Home Park Review	\$500	\$2,300
Parcel Map	\$750	\$2,750
Parcel Map Recording	\$21 + \$10/sheet	\$21 + \$10/sheet
Plat Amendment	\$250	\$2,550
Research Fee	\$60/hr.	New Policy
Special Use Permit (Major)	\$1,200	\$2,450
Special Use Permit (Minor/Res.)	\$500	\$2,200
Temporary Use Permit	\$500	\$750 + \$60/hr. over 10 hours
Tentative Planned Unit Development	\$2,200	\$3,450
Tentative Subdivision Map	\$1,500	\$3,500
Variance	\$500	\$2,150
Zoning Code Amendment (Ordinance)	\$500	\$3,250
Non-Fee Services		
	No Fee	No Fee
Major Project Review		
Down-Town Design Review		
Historic Resource Commission Review		

FY 2007 Proposed Planning Fees

Planning Fee Item	Current Fee	Proposed Fee	Lyon County	Douglas County	City of Sparks
Abandonment of Right of Way	\$700	\$2,450	\$750	\$1,701	\$635
Abandonment of Public Utility Ease.	\$700	\$1,850	\$750	\$1,701	\$635
Administrative Permit	\$500	\$750 + \$60/hr. over 10 hours	\$500		\$120/hr
Appeal of Decision	\$50	\$1,800	\$250	\$475	
Change of Land Use (rezoning)	\$1,500	\$2,450	\$1,500	\$2,783	\$1,629
Continuance Request	\$150	\$600	50% Fee	\$400	
Final Subdivision Map	\$800	\$1,800	\$1,000	\$1,005	\$2,160
Final PUD Planning	\$800	\$3,550	\$1,000	\$4,639	\$2,160
Land Division Map	\$250	\$750	\$850	\$750	
Lot Line Adjustment	\$250	\$500 + \$60/hr. over 4 hours	\$275	\$464	\$1,325
Lot Line Deletion	Recording Fee	\$500 + \$60/hr. over 4 hours			\$1,325
Master Plan Amendment	\$2,000	\$3,050	\$2,000	\$4,639	\$2,500
Mobile Home Park Review	\$500	\$2,300			
Parcel Map	\$750	\$2,750	\$1,000	\$3,758	\$1,080
Parcel Map Recording	\$21 + \$10/sheet	\$21 + \$10/sheet			
Plat Amendment	\$250	\$2,550	\$500	\$2,577	\$1,012
Research Fee	\$60/hr.	New Policy			\$120/hr
Special Use Permit (Major)	\$1,200	\$2,450	\$850	\$1,495	\$13,385
Special Use Permit (Minor/Res.)	\$500	\$2,200	\$850	\$1,495	\$7,495
Temporary Use Permit	\$500	\$750 + \$60/hr. over 10 hours		\$180	\$100
Tentative Planned Unit Development	\$2,200	\$3,450	2000 + 20/lot		
Tentative Subdivision Map	\$1,500	\$3,500	\$1,500	\$3,866	\$22,800
Variance	\$500	\$2,150	\$750	\$1,495	\$4,110
Zoning Code Amendment (Ordinance)	\$500	\$3,250	\$2,000	\$2,783	\$450
Non-Fee Services					
Major Project Review	No Fee	No Fee			
Down-Town Design Review					
Historic Resource Commission Review					