

Memorandum

City of Lawrence

Planning and Development Services

TO: Thomas M. Markus, City Manager
CC: Scott McCullough, AICP Director of Planning and Development Services
FROM: Amy Miller, CFM, AICP Assistant Director - Planning
DATE: August 2, 2016
RE: Planning and Development Services Department Fees

Background

The Planning and Development Services department provides many services to the community, including review and issuance of building permits, building inspections, enforcement of various city codes, contractor licensing, licensing and inspection of rental units, general planning activities (zoning, platting, etc.), management of the communities' historic resources, transportation planning and community development activities associated with CDBG and HOME grant funds. Those programs are conducted in four divisions: Building Safety, Code Enforcement, Community Development and Planning. Fees are collected for the following services: building permit review, contractor licensing, rental licensing and inspection, general planning activities and for some activities associated with code enforcement. Certain programs are designed to be revenue neutral, where the fees collected pay for the majority, if not all, of the programs expenses, such as Building Permit fees. Other fees not designed to recoup only a portion of the costs of a program because those programs benefit the entire community, such as planning fees.

This memo sets up a mechanism by which PDS fees can be reviewed annually against peer cities in order to determine if an appropriate fee is being charged. This memo will discuss fees in the PDS department by division. A listing of fees, along with a comparison to peer cities is attached to this memo as Exhibit A.

Planning Division

The Planning Division complete long range plans, processes planning applications (site plans, zoning applications, variances, etc.), manages the transportation planning program, and manages the city's historic resources. In 2015, the division collected \$21,245 in revenue through application fees. The division's budget for 2015 was \$1,052,800. Planning Division fees last underwent a wholesale update in 1993 and a few fees were added when the Development Code was adopted in 2006.

	2013	2014	2015
Planning Division Budget	\$933,755	\$1,069,671	\$1,052,800
Planning Division Revenues	\$ 22,181	\$ 18,244	\$ 21,425

Planning Division fees were never designed to recoup all of the costs associated with planning for growth and running the division, since a lot of the benefit from planning is community wide. With a division budget of approximately \$1,190,000 in 2016, division revenues make up approximately 2% of expenditures.

As an example, the processing of a standard city site plan application, which has an application fee of \$50 and is an administrative process, is estimated to cost the city as follows:

City Site Plan Application	Cost
Planning Staff Time - 60 hours	\$1,500
Other Department Staff Time- 15 hours	\$375
Administrative Costs - Includes signs and other hard costs	\$100
Total	\$1,975

The processing of a special use permit application, which has an application fee of \$50 and must be presented to the Planning Commission and the City Commission, is estimated to cost the city as follows:

Special Use Permit Application	Cost
Planning Staff Time - 100 hours	\$2,500
Other Department Staff Time- 25 hours	\$625
Ordinance Publication Fee	\$175
Notice Fee - 200'	\$40
Legal Ad Fee	\$50
Administrative Costs - Includes signs, 200' mailed notice	\$100
Total	\$3,490

Staff looked at fees being charged in fifteen peer cities (See Exhibit A) and determined that certain fees are in need of adjustment, not only to better reflect the amount of work that it takes to process certain applications, but also to be more in line with what other cities are charging. The current and proposed fees are listed in the table below. Changes to fees are in the pink shaded boxes.

Planning Division	2016 Fees	Peer City Fee Analysis*	Proposed 2017 Fees
City Applications			
Annexation	\$0		\$200 0-10 Acres
		Low: \$150	+ \$175 Ordinance Publication Fee
		Average: \$295	\$400 >10 Acres
		High: \$440	+ \$50 Legal Ad Fee
			+ \$175 Ordinance Publication Fee
BZA	\$30 Residential	Low: \$100	\$150 Residential
	\$60 Other	Average: \$290	\$350 Other
		High: \$500	+ \$50 Legal Ad Fee for all BZA Applications

Planning Division	2016 Fees	Peer City Fee Analysis*	Proposed 2017 Fees
Comprehensive Plan Amendment	\$0		\$200 +\$50 Legal Ad Fee +\$175 Ordinance/Resolution Publication Fee
Floodplain Determination	\$0		\$0
Floodplain Development Permit	\$20		\$20
Historic Resources/Design Review	\$0		\$0
Landmark Nomination	\$10		\$10
Historic District Nomination	\$50		\$50
City Plat	\$100 4 lots or less \$200 Over 4 Lots + \$3/Lot +\$20 Recording Fee	Low: \$125 Average: \$400 High: \$1500	\$300 4 lots or less (Applies to Preliminary and Final Plat) \$500 Over 4 Lots (Applies to Preliminary and Final Plat) +\$50 Legal Ad Fee for Preliminary Plats +Recording Fee for Final Plats
City Minor Subdivision (Lot Split)	\$25	Low: \$70 Average: \$140 High: \$200	\$100 +Recording Fee
Development Plan	\$200 Preliminary \$100 Final	Low: \$100 Average: \$474 High: \$950	\$400 Preliminary \$200 Final +\$50 Legal Ad Fee for Preliminary +Recording Fee for Final
City Site Plan	\$50 \$25 Renewal	Low: \$150 Average: \$313 High: \$400	\$50 Minor \$200 Standard \$400 Major
Special Event Permit	\$50-\$100		\$50-\$100
Special Use Permit	\$50	Low: \$150 Average: \$471 High: \$900	\$500 +\$50 Legal Ad Fee +\$175 Ordinance Publication Fee
City Rezoning	\$200-375 Residential \$300-375 Commercial \$250-325 Residential Office \$350-425 Industrial	Low: \$160 Average: \$448 High: \$1700	Residential: \$200 0-2 Acres \$500 2-10 Acres \$800 >10 Acres Other: \$400 0-2 Acres \$700 2-10 Acres \$1000 >10 Acres +\$50 Legal Ad Fee +\$175 Ordinance Publication Fee
Accessory Dwelling Unit	\$0		0

Planning Division	2016 Fees	Peer City Fee Analysis*	Proposed 2017 Fees
Non Conforming Use Registration	\$0		0
Home Occupation Type B	\$0		0
Zoning Certification	\$0		\$0
Text Amendment	\$0		\$200 +\$50 Legal Ad Fee +\$175 Ordinance Publication Fee
Recording Fee is payable to the City of Lawrence & determined based on Fees charged by the Douglas County Register of Deeds Office. Legal Ad Fee is payable to the City of Lawrence and covers costs associated with placing a legal notice in the local newspaper. Ordinance/Resolution Publication Fee is payable to the City of Lawrence and covers the cost of publishing the ordinance or resolution in the local newspaper.			
*Low/Average/High Fees were determined by a survey of peer cities (Exhibit A) and do not included current City of Lawrence fees.			

The Legal Ad Fee and Ordinance Publication Fee were all derived from averages of past applications and represent hard costs that are proposed to be passed on to the applicant. The Recording Fee is for the recording of final documents with the Douglas County Register of Deeds Office and is per their adopted fee schedule. On some applications as prescribed by code, staff undertakes the mailing of notice letters to properties within a 200' radius of the subject property. At this time, we are not proposing an additional fee for this activity. The average cost for this activity is approximately \$15 in mailing costs + \$25 in staff time, for a total of \$40. If the notice radius increases or staff determines that costs are increasing, a fee may be considered in the future.

It should be noted that the above fees are only for city applications. The Planning Division is funded 1/6 from Douglas County and processes numerous applications regarding development in the County. A separate analysis and corresponding memo will address county fees and be presented to the Board of County Commissioners for their consideration of any fee increase.

The fee increases are proposed to take effect beginning January 1, 2017. It is anticipated that the proposed fee changes will bring in an extra \$40,000-\$45,000 in revenue, bringing the total division revenue to approximately \$65,000 annually.

Building Safety Division

The Building Safety Division reviews and issues building permits, performs building inspections and administers the contractor licensing program. Fees for reviewing and issuing building permits, performing building inspections and administering the contractor licensing program are discussed in a separate annual report (http://lawrenceks.org/pds/permit_reports). As part of the 2017 PDS budget request, PDS is proposing a separate plan review fee to be charged at a rate of 20% of the building permit fee on commercial and multi-family building permits. This fee is projected to pay for a new position in the department, a Senior Building Inspector,

which will help to manage, review and inspect large commercial and multi-family projects (See Exhibit B).

In addition to the fees discussed above, the division charges for the purchase and planting of street trees on new residential construction projects. That fee is currently set at \$365.

The street tree fee was recently reviewed and modified in 2015. At this time, no changes are proposed to the Building Safety Division fees besides the 20% plan review fee on commercial and multi-family projects, which would take effect on January 1, 2017.

Code Enforcement Division

The Code Enforcement Division enforces various parts of the City Code and administers the Rental Licensing and Inspection Program. Fees charged for general code enforcement are centered around weed and blight violations and are charged when the property owner fails to remedy the violation on their own. Fees charged for the Rental Licensing and Inspection program are discussed in a separate annual report (<http://lawrenceks.org/pds/rental-licensing/reports>).

In addition to the fees discussed above, the Code Enforcement Division charges for Weed Mowing and for Abatement (remedying blight violations). The current fees for weed mowing are a flat \$75 Administrative Fee and \$45 an hour for mowing.

Fees for remedying blight violations are case specific and usually based on bids from independent contractors. Fees for remedying weed violations were recently adjusted in 2015. At this time, no changes to Code Enforcement Division fees are recommended.

Community Development Division

The Community Development Division primarily administers Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) grant funds. There are no fees that are charged for these services.

Staff Recommendation

In order to increase revenues in the Planning Division and better align the City with what other peer cities are charging for application fees, staff is recommending that fees highlighted in pink in the table above be amended as suggested.

Action

Receive and approve the 2016 Planning and Development Services Fee Report and Schedule. Adopt on first reading, Ordinance No. 9272, adopting the Planning Fee Schedule, and adopt on first reading, Ordinance No. 9271, amending City of Lawrence Code Section 5-176 relating to adding a plan review fee for commercial and multi-family structures.

Exhibit A - Fee Comparison Table

Planning Division	Lawrence, KS	Olathe, KS	Riley County, KS	Manhattan, KS	Topeka, KS	Lincoln, NE	Ames, IA	Plymouth, MN	Brooklyn Park, MN	Bloomington, MN	Iowa City, IA	Lee's Summit, MO
BZA Residential	\$30	\$158		\$120	\$130	\$250	\$150	150	100	146	370	300
BZA Commercial	\$60							300		346	430	
Conditional Use Permit	\$100	N/A	\$400	\$120	700	N/A	N/A	\$400	350	250	N/A	N/A
Flood Plain Development Permit	\$20	\$0		\$50	N/A	N/A	\$75	N/A	N/A	N/A	N/A	N/A
Historic Resources/Design Review	\$0			\$0								
City Plat	*4 lots or less \$100 *Over 4 lots \$200+\$3 per lot *+\$20 recording fee	*\$125+\$12.5 per lot for 10 or less lots * \$125+\$10 per lot for 11 to 50 lots * \$125+\$7.50 per lot for 51-150 lots * \$125+\$5 per lot for 151-500 lots * \$125+\$2.50 per lot for 501 or more lots \$40 Recording Fee		*Preliminary \$150 *Final \$150	<u>Preliminary</u> *1-10 lots \$200+5 per lot *11-50 lot \$200 +\$4 per lot *51-150 lots \$200+\$3 per lot *151-500 lots \$200+\$2 per lot *501+lots\$150+\$1 per lot <u>Final</u> * \$100 +\$2 per lot	*Preliminary \$600+\$50 per lot \$2500 max *Final \$125+\$25 per lot maximum \$2000 *Survey error/corrected final plat \$125 *Vacate final plat \$250 *Waiver \$125	*Preliminary \$500 *Rural subdivisions \$620	*Preliminary \$400 min. or \$25 per acre to be platted plus \$10 per lot and outlot, whichever is greater *Final \$450 *Minor subdivision \$150 per each newly described parcel	Pre /Final \$500+ \$1000 escrow	<u>Prelim.</u> *Single and two family lots\$300+\$50 per lot *Other \$500+\$100 per lot or portion thereof <u>Final</u> * \$250 + \$10 per lot, outlot or excepted parcel <u>Lot line adjustments</u> \$100 <u>Extension</u> \$100	*Preliminary (minor) \$635 *Preliminary (major) \$635+ \$15 per lot *Final \$635 *Combination \$700 +\$15 per lot	*Preliminary \$700+\$3 per lot *Minor \$600 *Final \$700+\$3 per lot
Minor Subdivision/Lot Split	\$25	\$70	\$200	\$150								
Co. Plat	*5 lots or less \$50 *Over 5 lots \$75+\$1 per lot *+\$20 recording fee	N/A	4 lots of less \$350 5 lots or more \$450		N/A	*Preliminary plat \$750+\$50 max \$3000 *Final plat \$150+\$50 per lot *Final plat amendment \$250	N/A	N/A	N/A	N/A	N/A	N/A
Development Plan	*Preliminary \$200 *Final \$100	*Preliminary \$450 *Final \$175		*Final \$100	\$950+\$50 per acre or fraction other of, not to exceed \$7500	\$500	\$150-\$300	*General Plan \$700 *Final plan \$150 *Amendment \$200	*Preliminary \$350+ \$1000 escrow *Final \$350+ \$1000 escrow	*Rezoning to PD and preliminary plan review \$1500 *Final \$1000 *Revisions \$75-\$500	*Preliminary \$365+\$15 per lot *Final admin \$250	<u>Preliminary</u> *Residential Rezoning and PDP \$1600+ pub costs-\$3000+pub. Costs *Commercial rezoning and PDP \$1800+pub. Cost - \$3600+pub. Cost <u>Final</u> \$600-\$1000
Site Plan	*\$50 *\$25 renewal	\$150			\$250	N/A		400	350	N/A	N/A	N/A
Special Event Permit	\$50-\$100	\$60		\$50 \$250 For events with alcohol	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Special Use Permit	\$50	500			N/A	400	\$150	N/A	N/A	N/A	N/A	900
City Rezoning	*\$200-275 residential *\$300-375 commercial *\$250-325 residential-office *\$350-425 industrial	*Ag and residential \$400-\$938 *Office and commercial \$925-\$1375 *Industrial \$925-\$1375 *Mixed zones and other \$1015-\$1500		\$160-\$300	\$200-\$950	*Standard zoning \$250-\$740 *PUD \$500 +\$25 per dwelling unit max \$2500	\$300	\$700	\$350 + \$1000 escrow	\$1000 except for PD	\$440	\$700+ publication charges
Co. Rezoning	\$100+\$35 publication costs	N/A	\$450		N/A	\$250-\$750	N/A	N/A	N/A	N/A	N/A	N/A
Annexation	\$0	N/A			N/A	N/A	\$150	N/A	N/A	N/A	\$440	N/A
Other						*Postponement fee \$125 *Reduction of required parking \$250 *Waver of design standards \$125 *All other zoning applications \$250 *Regulation text change \$250 *All other subdivision applications \$250 *CPA \$125	* Zoning text amendment \$75 *Adaptive reuse \$150 *Changing of a nonconforming use \$150 *Exception for a minor area modification \$75 *Exception to parking area dimensions \$75 *Home occupation \$20-\$100	*CPA \$500 *Home occupation license \$100 *Zoning text amendment \$250 *Zoning letter \$50 *Signage fee \$165 for one sign +\$50 for any additional signs (public hearing notice signs) *Interm Use Permit: \$400; Renewal \$35	*CPA \$350+\$1000 escrow *Concept plan review \$350	*Waver of subdivision requirement \$100 *Ordinance amendment \$1000 *CPA \$1000 *Zoning compliance letter \$75 *Temporary Use :admin. Approval \$50; CC decisions \$100; other apps \$250 ; Renewal \$100		*\$165 per required legal notice *CPA \$100+pub. Costs
									*Escrow account pays for all additional costs such as publication fees	<u>Notice</u> *two required hearings publications \$50, \$1.50 per mailed notice in excess of 100 notices mailed for each hearing *one req. hearing publication \$25, \$1.50 per mailed notice in excess of 100 mailed notices		

Exhibit A - Fee Compariso

Planning Division	Arlington Heights, IL	Sioux City, IA	Duluth, MN	Lenexa, KS
BZA Residential	200	\$250	\$120	150
BZA Commercial	500			
Conditional Use Permit	N/A	\$250	N/A	N/A
Flood Plain Development Permit	N/A	N/A	N/A	N/A
Historic Resources/Design Review				
City Plat	N/A	*Preliminary. \$450 *Final \$250	*Prelim. \$500 *Final \$100-\$175+\$2.50 per lot over 70 lots	<u>Preliminary and Final each</u> *1-10 lots: \$150+\$6 per lot *11-50 lots: \$150+\$5 per lot *51-150: \$150+\$4 per lot *151-500 lots: \$150+\$3 per lot *501+: \$150+\$2 per lot <u>Time extension for preliminary: \$225</u> <u>Technical Correction \$100</u>
Minor Subdivision/Lot Split				
Co. Plat	N/A	N/A	\$500	N/A
Development Plan	*\$1200-\$1700 *amendments \$1200-\$1800	N/A	\$500	*Conceptual \$275 *Preliminary \$275 *Final \$375 *Revised Final \$375 *Plan Re-review \$225 *Lighting plan if filed separately \$225 *Landscape plan if filed separately \$225
Site Plan	N/A	\$350	N/A	
Special Event Permit	N/A	N/A	N/A	*Type I \$75 *Type II \$125
Special Use Permit	750	N/A	\$250	350
City Rezoning	\$900-\$1700	\$350	\$400 +cost of public notice	*Residential \$350-\$850 *Office \$850-\$1250 *Commercial \$850-\$1250 *Industrial \$850-\$1250
Co. Rezoning	N/A	N/A	N/A	N/A
Annexation	N/A	N/A	N/A	N/A
Other		*Temporary Use \$250		

Memorandum

City of Lawrence

Planning & Development Services

TO: Scott McCullough, Planning & Development Services Director
FROM: Development Services/Building Safety Division Staff
DATE: May 20, 2016
RE: Building Safety Division 2017 City Budget Request – New Position

BSD 2017 Budget – New Project Inspector Position Request Summary			
*Expenditures:	2017	2018	2019
Wages	\$54,000	\$55,080	\$56,182
Benefits	\$26,000	\$26,520	\$27,050
Totals	~\$80,000	~\$81,500	~\$83,000
*Possible New Revenues:			
Commercial & Multifamily Plan Review Fees	~\$80,000	~\$81,500	~\$83,000

*A two percent growth rate is applied to 2018 and 2019.

Overview of New Building Safety Division (BSD) “Project Inspector” Position Request

Over the past several years, BSD has seen significant increases in the number of building permit preliminary meetings with applicants and designers, overall plan review volumes, building permit plan review coordination responsibilities (coordinating reviews among multiple departments) and building permit inspection activity. High permit plan review and inspection volumes in the first four (4) months of 2016, and several large projects now in the review process, indicate that steady growth in permit activity will continue throughout 2016. Increased activity has been particularly noticeable in the area of commercial building permits. (See Attachment 1)

To help ensure continued high quality building permit plan review and inspection services, and to meet customer expectations for plan review turn-around time (initiated in late 2012) and same-day inspections, BSD is requesting an additional staff position beginning in 2017. This would be a hybrid building inspector/plans examiner/project liaison position to provide assistance with plan reviews and inspections as needed (to maintain service levels, primarily for commercial and multifamily projects), and to provide assistance/coordination services to clients on large, complex or high profile projects (preliminary meetings, plan reviews, preconstruction meetings, temporary occupancy processes and final occupancies). A current City job description that could be a template for this proposed position is “Project Inspector” (Grade 906), which would be modified to require certain building inspection and plan review experience/qualifications/certifications.

Using the midpoint of the 906 pay range (about \$54,000) plus annual benefits of about \$26,000, \$80,000 in personnel costs would need to be budgeted for this position in 2017.

Potential Revenue Enhancements to Cover/Defray Project Inspector Position Costs

BSD is reviewing possible permit fee/revenue enhancements to cover/defray the costs of the new position, including plan review fees for initial BSD commercial and multifamily building permit plan reviews and inspections (in addition to base building permit fees). A new revenue source is proposed to be the assessment of plan review fees for commercial and multifamily building permits. These permit types often require multiple meeting with design professionals and longer

times for staff to complete a review. In addition, staff spends extra effort on inspections as a project's occupancy nears.

A method used by many jurisdictions is to apply a fractional multiplier to the base building permit fee (for example, base building permit fee times 25%). Because some commercial and multifamily building permits require fire alarm and/or suppression plan submittals, reviews and inspections, some jurisdictions also assess an additional plan review fee when fire alarm and/or suppression systems are required.

Total base building permit fees collected in 2015 for 197 issued commercial and multifamily permits was \$395,443. If plan review fees equal to 20% of base building permit fees had been assessed on the 197 permits, additional fees of approximately \$80,000 would have been collected. Attachment 2 includes 2015 commercial and multifamily permit fee data and possible new plan review fee revenue scenarios and totals.

Support Information/Data

From 2013 to 2015, the total number of annual building permit plan reviews increased by 58% (from 3,416 in 2013 to 5,408 in 2015). Based on plan review activity for the first four months of 2016, BSD estimates that nearly 6,100 plan reviews will be completed during 2016. Frequently, daily permit inspection demand exceeds 50 (frequently in the range of 65-75), with inspections at 35-45 different sites shared among three (3) Building Inspectors; this volume makes it difficult to complete all daily scheduled permit inspections, especially if one Building Inspector is absent. If inspection activity continues to increase, time available per site visit may decrease, which could affect inspection quality or force BSD to modify "will-call" inspection services for concrete and sewer inspections, and/or to reschedule some inspections to the following day.

Due to increased permit activity and Plans Examiners' evolving and growing roles as building permit review "coordinators" (among PDS divisions and other departments involved in development activities) - especially for the Senior Plans Examiner - Plans Examiners can no longer provide permit inspection support as they did 3-4 years ago (and as originally anticipated when Plans Examiner positions were reconfigured 7-8 years ago). Total authorized BSD staffing to support building permitting and inspection activities (Managers, Code Official, Plans Examiners, Building Inspectors, Administrative Support) has remained nearly the same for the past 10 years.

Attachment 1 documents and compares total number of BSD permit inspections and plan reviews completed annually since 2013. Estimated totals for 2016 are based on the total number of permit inspections and plan reviews completed from January 1, 2016 through April 30, 2016, times three. Given the high number of new one- and two-family residential, new multi-family and large commercial projects currently under construction (or ready to start construction), the estimated numbers for 2016 are most likely low.

Attachments

BSD 2017 Budget Memo Attachment 1

Building Safety Division Building Permit Plan Review & Inspections, 2013 - 2016 (Thru 4/30/2016)							
	Total BSD Permit Inspections	Total Initial Resid Permit Plan Reviews	Total Resid Permit Plan Reviews	Total Initial Comm Permit Plan Reviews	Total Comm Permit Plan Reviews	Total Initial Plan Reviews	Total Plan Reviews
2013	7,606	1,100	1,560	1,056	1,856	2,156	3,416
2014	6,962	1,164	1,435	1,505	2,114	2,669	3,549
2015	8,306	1,695	2,604	1,780	2,804	3,475	5,408
2016 Estimated*	9,714	1,371	2,172	2,085	3,912	3,456	6,084
2016 (Jan thru April)	3,238 (x 3 = 9,714)*	457 (x 3 = 1,371)*	724 (x 3 = 2,172)*	695 (x 3 = 2,085)*	1,304 (x 3 = 3,912)*	1,152 (x 3 = 3,456)*	2,028 (x 3 = 6,084)*
2015: % Change From 2014	19.3%	45.6%	81.5%	18.3%	32.6%	30.2%	52.4%
2016 Projected: % Change From 2015	17.0%	-19.1%	-16.6%	17.1%	39.5%	-0.5%	12.5%
2015: % Change From 3-yr. Annual Avg. (2013 - 2015)	8.9%	28.4%	39.5%	23.0%	24.2%	25.6%	31.1%
2016 Estimated: % Change From 4-yr. Annual Avg. (2013 - 2016 Projected)	19.2%	2.9%	11.8%	29.8%	46.4%	17.6%	31.9%
2016 Estimated: % Change from 2013 Annual Totals	27.7%	24.6%	39.2%	97.4%	110.8%	60.3%	78.1%
Note: Innoprise ComDev Permit Software was implemented in mid 2012 with an approximate 6-month learning curve, so 2013 is the first reliable data year.							