



## Planning, Development & Transportation Services

### Community Development & Neighborhood Services

281 North College Avenue  
P.O. Box 580  
Fort Collins, CO 80522.0580

970.416.2740  
970.224.6134- fax  
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### MEMORANDUM

**DATE:** December 2, 2021

**TO:** Mayor Arndt and City Councilmembers 

**THRU:** Kelly DiMartino, Interim City Manager   
 Kyle Stannert, Deputy City Manager   
 Caryn Champine, Planning, Development & Transportation Director  
 Paul Sizemore, Community Development & Neighborhood Services Director

**FROM:** Rebecca Everette, Planning Manager   
 Monica Martinez, Financial Planning & Analysis Manager, PDT 

**RE:** Development Review and Building Permit Fee Effective Dates

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#### Summary

The purpose of this memo is to provide an update to Council about the new Development Review and Building Permit fees that will take effect on January 1, 2022. This will conclude a multi-year project to ensure that building and development fees provide cost recovery for City services.

Outreach over the past three years has included a fee advisory group, boards and commissions, development stakeholders, and Council Finance Committee. The proposed fee changes have been thoroughly vetted, validated for cost recovery, and reviewed through an “equity lens” to ensure small projects are not disproportionately impacted.

#### Background

The current building and development review fee schedule has been in effect since January 2000, and it has not been holistically reviewed and updated since then. Meanwhile, the City’s costs to process applications have risen significantly, particularly as code requirements have evolved and development has increased in complexity.

A fee study was conducted in 2019, and results were reviewed through a robust public outreach process and with the Council Finance Committee, who supported the changes. Building and development review fees are approved administratively by the City Manager, but due to the nature of the changes (both in methodology and in amounts), Council has been informed of the changes and impacts throughout the project. Detailed information on the fee study, methodology changes, stakeholder outreach, and Council Finance Committee review can be found in Attachment 3.

The new building and development review fees are grounded in the following principles:

- Fees should be set to recover costs for the services provided. Cost recovery should be as close to 100% as possible.
- Fees should reflect the staff time required for all departments that review projects, including Planning, Building, Historic Preservation, Engineering, Utilities, Traffic Operations, Forestry, Parks, IT, City Attorney, City Clerk, and administrative support functions.
- The fee methodology should account for the variability in size and scope of projects, to ensure small projects are not disproportionately impacted.
- The fees should be clear, predictable and easy for customers to calculate themselves.

Because the fees have not been updated in many years and several fee methodology inputs have changed, fee amounts are generally increasing. Due to the methodology shift, it is not possible to do a fee-by-fee comparison; however, a development-by-development comparison was done to demonstrate the impacts on individual projects. These comparisons are provided in the PowerPoint presentation included with Attachment 3 of this memo.

The updated fees were originally scheduled to take effect April 1, 2020. Implementation was delayed to allow more time for the fees to be programmed in the City's Accela permitting system and to ensure all fees had been validated and reviewed through an equity lens. As a result, the fee schedule has been slightly revised from what was presented to the Council Finance Committee in 2020. The revisions are intended to:

- Account for additional reviewing departments that were not initially included
- Ensure fees for small projects are reasonable and equitable, including the creation of reduced fee option for "limited-scope projects."
- Ensure final quality control of all data inputs.

The final fee amounts are included as Attachment 1.

### **Code Requirements and Authority for Fee Updates**

The City Manager is authorized to set fees based on the costs of providing development and building permit review services, pursuant to City Code Sec. 7.5-2. The Land Use Code (Sec. 2.2.3.D) establishes the cost recovery model for development and building permit fees:

1. *Recovery of Costs.* Development review fees are hereby established for the purpose of recovering the costs incurred by the City in processing, reviewing and recording applications pertaining to development applications or activity within the municipal boundaries of the City, and issuing permits related thereto. The development review fees imposed pursuant to this Section shall be paid at the time of submittal of any development application, or at the time of issuance of the permit, as determined by the City Manager and established in the development review fee schedule.
2. *Development Review Fee Schedule.* The amount of the City's various development review fees shall be established by the City Manager and shall be based on the actual expenses incurred by or on behalf of the City. The schedule of fees shall be reviewed annually and shall be adjusted, if necessary, by the City Manager on the basis of actual expenses incurred by the City to reflect the effects of inflation and other changes in costs. At the discretion of the City Manager, the schedule may be referred to the City Council for adoption by resolution or ordinance.

### **Developer and Builder Cost Impacts**

In order to understand and quantify the impact on development, staff did a comparative study on existing developments. Samples were chosen based upon common application types including: Infill development, Single Family Homes, Multi-family, Affordable Housing, Commercial Buildings and Industrial Uses. Fees within this study generally increased ~30%; however, as part of the overall fee stack, the updates resulted in minor changes (from less than 1% to 10% of total City Fees). Additional details are provided in the PowerPoint presentation included with Attachment 3 of this memo.

### **City Cost and Revenue Impacts**

Since the fees charged are intended to cover the costs to provide the service, an analysis was done to evaluate the costs to the City of development review and building permits based on the 2018 volume of permit applications. In 2018, the City collected \$5.6 million in development related fees, which were intended to cover the costs of those services. The actual total cost of the services provided by the City in 2018 was closer to \$7.6 million. Even with the implementation of the new fees, total cost recovery is not

currently anticipated, as certain development review fees were adjusted downward to ensure that they are reasonable for the customer. All fees will be subject to additional review in two years' time.

Fee Type	Current Collections	Revenue Projections
Development Review	\$583K	\$3.1M
Building Permit	\$4.75M	\$3M
Infrastructure Inspection*	\$322k	\$898k
<b>Total</b>	<b>\$5.6M</b>	<b>\$7M</b>

*\*Infrastructure Inspection fees were implemented in 2021 and are on track to exceed revenue projections*

### **Next Steps**

In October 2019, Council Finance Committee was supportive of the fee updates and recommended adoption of the updated methodology and fee schedule by the City. If no other major concerns are brought forward, the City Manager will administratively approve the fee changes, and the new fees will take effect January 1, 2022.

Notice of the upcoming fee changes has been posted on the City's website since November 2020, and staff have also shared information about upcoming fee changes directly with applicants. Additional email and online communication will ensure all stakeholders are informed of the new effective date immediately. Staff is also available for 1-on-1 conversations with any customers who would like more information.

Online notice provided in November 2020: <https://www.fcgov.com/building/files/january-2021-fee-updates-memo-with-attachments.pdf?1606854786>

### **Attachments**

- **Attachment 1:** Updated Development Review and Building Fee Schedule
- **Attachment 2:** March 2020 Memo to City Manager Re: Development Review Fees Effective Date
- **Attachment 3:** January 2020 Memo to City Council Re: Development Review and Building Permit Fee Updates, including Council Finance Presentation and additional attachments

**City of Fort Collins Development Review Fees**

<b>Service Name</b>	<b>Fee</b>	<b>Notes</b>
<i>Planning Services</i>		
Annexation	\$5,825	
Rezoning	\$4,800	
Plan Amendment	\$11,150	Applies to requested amendments to City Plan, Structure Plan or adopted Subarea Plans.
Text Amendments	\$3,200	Applies to requested amendments to Land Use Code.
Planned Unit Development (PUD)	\$54,475	
Overall Development Plan	\$11,775	
Project Development Plan (PDP)	\$27,675	For combined PDP/FDP projects only the PDP fee is assessed (not the FDP fee).
Final Development Plan (FDP)	\$21,575	For combined PDP/FDP projects only the PDP fee is assessed (not the FDP fee).
Basic Development Review (BDR)	\$16,900	
Major Amendment	\$18,975	
Minor Amendment / Change of Use	\$1,500	
Minor Subdivision	\$2,300	For projects that include subdivision only, no land use approval.
Infrastructure Project	\$13,625	For projects that include grading or infrastructure only, no land use approval.
Extra Occupancy Unit	\$2,025	Fee assessed per unit.
Modification of Standards	\$1,675	Applies to stand-alone modification requests (not in conjunction with a development plan). Fee assessed for each modification requested.
Addition of Permitted Use (APU)	\$3,500	Applies to stand-alone APU requests (not in conjunction with a development plan).
Additional Rounds of Review	\$3,000	Charged once for projects that require 4 or more rounds of review.
Preliminary Design Review (PDR)	\$1,000	
Appeal of Administrative Decision	\$100	For appeals of Basic Development Review, Minor Amendment, Administrative Interpretation, or other decisions by the Director.
Limited-Scope Project	\$6,925	Director approval required based on project-specific criteria.
<i>Engineering Services</i>		
Development Construction Permit (DCP)	\$2,425	
Easement/Right-of-way Dedication	\$725	
Easement Vacation	\$1,300	
Right of Way Vacation	\$2,050	
<i>Zoning Services</i>		
Off-site Construction Staging	\$475	
Variance	\$300	
Short Term Rental Denial Appeal	\$100	
Zoning Verification Letter	\$100	
Parkway Landscape Amendment	No fee	

*\*All fees effective January 1, 2022.*

*\*\*Fees cover costs of all departments involved in reviewing or processing the project (including Planning, Engineering, Utilities, Forestry/Parks, administrative support, mailings, sign postings, and other functions).*

**City of Fort Collins Building Permit Fees**

<i>New Buildings</i>	
<b>Service Name</b>	<b>Fee</b>
A (Assembly)	\$0.40
B (Business)	\$0.50
E (Educational)	<i>Set by State, not assessed by City</i>
F (Factory)	\$0.35
I (Institutional)	\$0.50
M (Mercantile)	\$0.40
R-1 (Hotel)	\$0.35
R-2 (Apartment)	\$0.35
R-3 (Single Family Detached/Duplex)	\$0.65 \$0.55 ( <i>stock plan</i> )
R-4 (Assisted Living)	\$0.55
S (Storage)	\$0.40
U (Utility)	\$0.40

<i>Tenant Improvements</i>		
<b>Valuation</b>	<b>Fee</b>	
<i>Valuation up to:</i> \$2,000		\$105
\$25,000	\$105 for the first \$2k, then \$15.5 for each \$1k after	
\$50,000	\$462.5 for the first \$25k, then \$10.5 for each \$1k after	
\$100,000	\$725 for the first \$50k, then \$6.5 for each \$1k after	
\$500,000	\$1050 for the first \$100k, then \$60 for each \$10k after	
Greater than \$500,000	\$3450 for the first \$500k, then \$55 for each \$10k after	

<i>Flat Fees</i>	
<b>Service Name</b>	<b>Fee</b>
Air Conditioner Replacement	\$65.00
Antennas	\$65.00
Basement Finish	\$155.00
Boiler Replacement	\$65.00
Commercial Roof Replacement	\$210.00
Commercial Signs	\$65.00
Demolition	\$65.00
Fireplace (Wood burning, pellet, gas, log)	\$65.00
Furnace Replacement	\$65.00
Gas Pipe Installation	\$65.00
Mobile Home Setup	\$85.00
Pool/Spa	\$110.00
Rooftop Unit Replacement	\$85.00
Single Family Deck or Patio Cover	\$110.00
Residential Roof Replacement	\$85.00
Solar PV Systems	\$65.00
Temporary Sales or Construction Trailer Setup	\$85.00
Upgrade/ Replace Electrical Service	\$65.00
Water Heater Replacement	\$65.00
Window Installation	\$65.00
<i>Stock Plans:</i>	
Single Family Attached	\$550.00
Single Family Detached	\$550.00
Duplex	\$550.00



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### MEMORANDUM

**DATE:** March 3, 2020

**TO:** Darin Atteberry, City Manager 

**THRU:** Jeff Mihelich, Deputy City Manager 

Travis Storin, Interim Chief Financial Officer 

Kevin Gertig, Utilities Executive Director 

Caryn Champine, Planning, Development & Transportation Director 

**FROM:** Tom Leeson, Community, Development & Neighborhood Services Director 

Noelle Currell, Planning, Development & Transportation Finance Manager 

**RE:** **Development Review Fees Effective Date**

#### Introduction

The purpose of this memo is to inform the City Manager of the updates to the Development Review, Engineering Inspection and Building Permit fees. Staff was originally planning on implementing the new fee schedule on April 1, 2020; however, the extensive effort to update the fees in the Accela program conflicts with the work the Accela team is currently working on to upgrade the electronic building permit review process. Staff is recommending delaying the fee implementation until the fall of 2020, so there is no delay to the building permit review project.

#### Project Details

The updates to the development review fees require a significant amount of coding in the Accela software to ensure the new fees are calculated correctly, the new building permit calculation methodology from valuation to square footage is accurately coded, and all the fees are allocated to the correct accounts (funds).

The existing city staff (and the City's consultant) that would be updating the development review fees in the Accela program are at capacity working on integrating the electronic building permit review into Accela. This has been a major effort and a priority for the last couple years. Shifting their time to the development review fees would delay that project.

Discussions with the Accela team presented the following options:

- Shift all the IT resources to upgrade the development review fees and delay the building permit integration project by at least 8 weeks.
- Shift some of the IT resources to work on a limited scope of the development review fee revisions and continue to work on the building permit integration with limited resources. This would delay the building permit integration project by at least 4-6 weeks.
- Delay the development review fee update project until after completion of the building permit integration project. This would most likely mean the development reviews could be effective in the fall of 2020.

The option of adding additional resources to update the development review fees into Accela was discussed; however, given that the IT team is in the Accela system as part of the building permit integration project, this would cause conflicts and delay both projects as well.

Given the importance of the building permit integration project and the momentum that project currently has, staff is recommending the implementation of the development review fee update be delayed until the fall.

### **Next Steps**

Once a date is determined for when fee updates can be input into Accela, staff will ensure customers are given at least two months of communication on the pending fee changes. Staff will also ensure all stakeholders who were consulted during public outreach are informed of the delay.



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## MEMORANDUM

**DATE:** January 14, 2020

**TO:** Mayor Troxell and City Councilmembers

**THRU:** Darin Atteberry, City Manager <sup>DS</sup>  
Jeff Mihelich, Deputy City Manager <sup>DS</sup>  
Caryn Champine, Planning, Development & Transportation Director <sup>DS</sup>

**FROM:** Tom Leeson, Director, Community Development & Neighborhood Services  
Noelle Currell, Finance Manager PDT

**RE:** Development Review and Building Permit Fee Updates

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### Introduction

The purpose of this memo is to inform council of the updates to the Development Review, Engineering Inspection and Building Permit fees. This item was originally scheduled for a work session, but due to general agreement on the updates it was decided notification via a memo would suffice.

A fee study was conducted in 2019, and results have been reviewed through a robust public outreach process and with Council Finance Committee (who was supportive of changes). The updated fees are approved administratively by the City Manager, but due to the changes (both in methodology and in amounts), Staff thought it was important that Council be informed of the changes and impacts.

Bottom Line: since the fees have not been updated in a very long time and several fee methodology inputs are being updated, fee amounts are generally increasing. Due to the methodology shift, it is not possible to do a fee by fee comparison, but rather a development by development comparison was done to demonstrate the impacts. These comparisons are included in attachment 3.

### Project Details

#### **EXECUTIVE SUMMARY**

As part of the City's coordinated fee update process, City Staff along with MGT Consulting Group (MGT) conducted an in-depth analysis of the City's development

review and building permit fees. This study evaluated whether these fees are set at appropriate levels, inclusive of all costs, consistent with the City's goals for cost recovery, and how fees compare to other communities regionally.

Due to the complexities, processes and number of departments involved in development review and permitting, the Council Finance Committee requested an advisory committee be created to better understand potential impacts of fee and methodology changes and collect feedback and advisement regarding proposed changes.

Staff has extensively evaluated the methodology for calculating fees resulting in a change in methodology for calculating building permit and plan check fees from using the valuation of a project to using the square footage of a project (not all project types apply), a flat fee for over-the-counter permits, addition of a new erosion control and storm water inspection fees, as well as updates to current development review fees based on a simplified fee schedule.

## **BACKGROUND/DISCUSSION**

### **Development Review Fee Advisory Committee**

The Development Review Fee Advisory Committee was formed based on Council Finance Committee directive. The committee was tasked to ensure understanding of the simplified fee schedule, calculation of fees, timing of fees, buy-in to a new methodology and providing recommendations.

Advisory Committee List: A Blend of Citizens, Industry and Staff

Industry: Jennifer Bray: Affordable Housing Board  
Adam Eggleston: Ft. Collins Board of Realtors  
Doug Braden: Home Builders Association

Citizen: Matt Robenalt: Downtown Development Authority  
Cathy Mathis: Local Legislative Affairs Committee, Development Consultant  
Braulio Rojas: South Ft. Collins Business Association  
Linda Stanley: Economic Advisory Commission

City Staff: Mike Beckstead: Project Sponsor  
Russ Hovland: Fee Owner Building Permit Fees  
Tim Kemp: Fee Owner Engineering Fees  
Noelle Currell: Project Manager  
Tom Leeson: Fee Owner Development Review Fees

### **Overview of Meetings and Topics Covered**

The group convened for five (5) two-hour sessions starting in May 2019 with the final meeting September 2019.

### **Fee History**

Currently, there are numerous fees across CDNS (Community Development and Neighborhood Services), Utilities, and Engineering, spread over three (3) types of fees; development review, infrastructure inspection (engineering), and building permit. Examples include building permit fee, plan review fee, transportation development review, over-the-counter permits, and engineering inspection fees. The current percentage for cost recovery is set at 100%.

The City Manager is authorized to set fees based on the costs of providing development and building permit review services, pursuant to City Code Sec. 7.5-2. The Land Use Code (Sec. 2.2.3.D) establishes the cost recovery model for development and building permit fees:

1. *Recovery of Costs.* Development review fees are hereby established for the purpose of recovering the costs incurred by the City in processing, reviewing and recording applications pertaining to development applications or activity within the municipal boundaries of the City, and issuing permits related thereto. The development review fees imposed pursuant to this Section shall be paid at the time of submittal of any development application, or at the time of issuance of the permit, as determined by the City Manager and established in the development review fee schedule.
2. *Development Review Fee Schedule.* The amount of the City's various development review fees shall be established by the City Manager and shall be based on the actual expenses incurred by or on behalf of the City. The schedule of fees shall be reviewed annually and shall be adjusted, if necessary, by the City Manager on the basis of actual expenses incurred by the City to reflect the effects of inflation and other changes in costs. At the discretion of the City Manager, the schedule may be referred to the City Council for adoption by resolution or ordinance.

### **Fee Calculation Review**

To accurately calculate where fee levels should be set, an inclusive listing of fees was thoroughly reviewed, every staff member involved in a fee activity was identified, and staff members that complete fee related activities were interviewed to determine the amount of time spent per fee item. Calculations were carried out to determine the fully burdened cost of employees. Overhead calculations were also reviewed and included things like buildings, managers, and IT support. Fees were set based on the time and the overhead allocated. Validation steps were taken to ensure proper cost recovery, which included:

- ensuring no individual groups were over-allocated (available work hours versus total time of fee activities)
- estimating revenue forecasts based on 2018 volumes (ensuring revenue does not end higher than cost)
- confirming with management teams to ensure accurate allocation of employee's time to the fees (e.g. only allocating 25% of some positions)

## **Methodology Changes and Impacts**

### *Development Review Fees*

No methodology change for the development review fees (pre-building permit activity, such as Project Development Plan, Minor Amendment, Final Development Plan) is proposed. However, one goal in this area was to reduce the number of fees, through fee consolidation or deletion (e.g. Sign posting fee and Affected Property Owner mailing labels/stamps removed).

Additional changes within the development review fees include adding staff members that are fully engaged in development review activities that have not historically been included within the fee calculations. This includes City Attorney's Office staff, Forestry staff, and Parks Planning staff. Additionally, Utilities development review fees have historically been collected at time of Building Permit, and those will now be collected at time of development review application to more accurately reflect the time of service. Utilities fees will also be shifting from a 50% cost recovery methodology to a 100% cost recovery.

The impacts of these changes are an increase in development review fees for all application types.

### *Infrastructure Inspection Fees*

No methodology change is proposed for the infrastructure inspection fees. These fees were last updated in 1997, so the impact of these changes is an increase in the infrastructure inspection fees.

### *Building Permit Fees*

Staff is proposing a methodology shift for new construction building permit fees from being based on valuation to square footage/building type. The square footage of a project is not subject to disagreements as it is a definite quantity provided within the application; it is known in the early phases of a project, so it provides a stronger basis for calculating accurate fee estimate. Additionally, square footage has a strong correlation to the amount of time it takes to review/process an application and the time it takes to complete inspections.

To help with efficiency and overall fee consistency, over-the-counter permits will go to a flat fee versus valuation based (examples: residential roof, water heater, furnace). Staff time in this area is driven by type of work, not the value.

Tenant finishes and remodels will remain valuation based. Valuation cost breakouts were updated based upon interviews with building inspectors with the result being a decrease in these application types.

It should be noted that sales and use tax is still based on valuation, so applicants will still need to provide the project valuation for tax purposes.

The impacts of these changes, including shifting the timing of collection of the Utility development review fees, are a decrease in building permit fees.

### **New Fees: Erosion Control & Storm Water Construction Inspection**

These are proposed new fees that will cover field inspection personnel. Currently, no fees are collected, and this activity is subsidized by the rate payers and not by established fees. Staff is requesting implementation of an erosion control fee & storm water infrastructure inspection fee to cover the costs of inspections that are currently being executed.

The process completed by Utilities is as follows; Field verification by a City Stormwater Inspector is now required as stated in the project Development Agreement, City Land Use Code Section 3.3.2(E)(1)(e), and Fort Collins Stormwater Criteria Manual Ch 3, Sec 3.1). Project managers should request inspections prior to installation of stormwater features, or at a minimum, keep the City inspector up to date on scheduling.

Inspections target the milestones listed in the feature's corresponding, which is submitted as part of the Site Grading and Drainage Certification (checklists may change as the program evolves).

As part of the certification process, certification checklist documentation is submitted to Utilities' Water Engineering Department and requires acknowledgment that verification occurred at the intervals specified therein.

Utilities Light and Power are not included in this study and request.

### **Developer/Builder Cost Impacts**

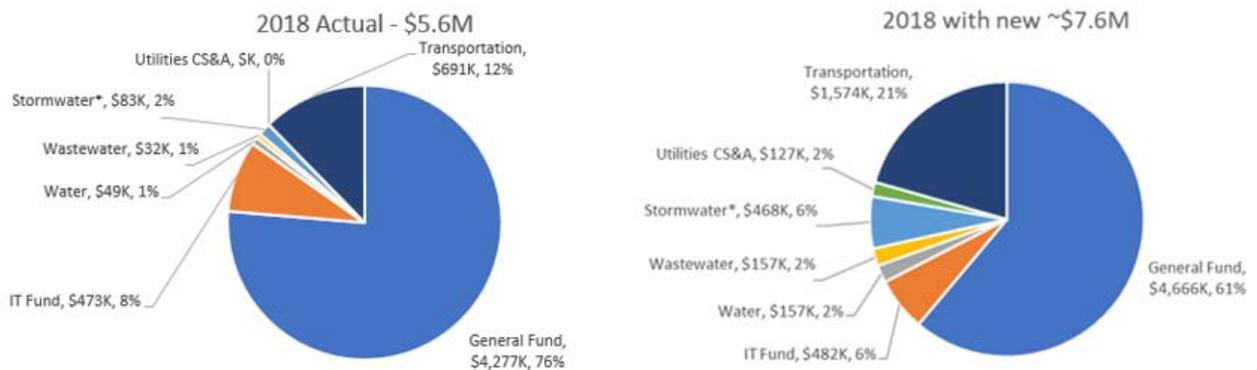
In order to understand/quantify the impact on development, staff did a comparative study on existing developments. Samples were chosen based upon common application types including: Infill development, Single Family Homes, Multi-family, Affordable Housing, Commercial Buildings and Industrial Uses. Fees within this study generally increased ~30%; however, as part of the overall fee stack, the updates resulted in minor changes (from less than 1% to 10% of total City Fees). Additional details are included in attachment 3.

### **City Cost/Revenue Impacts**

Since the fees charged are intended to cover the costs to provide the service, an analysis was done to evaluate the costs to the City of development review, infrastructure inspection, and building permits based on the 2018 volume of permit applications. In 2018, the City collected \$5.6 million in development related fees, which were intended to cover the costs of those services. The actual total cost of the services provided by the City in 2018 was closer to \$7.6M.

Fee Type	Current Collections*	Future*
1. Development Review	\$583K	\$3,654K
2. Infrastructure Inspection	\$322K	\$898K
2* New Stormwater Fees	\$0	\$75k-\$100K
3. Building Permit	\$4,751K	\$3,008K
<b>Total</b>	<b>\$5.6M</b>	<b>\$7.6M</b>

The greatest impact on collections is seen in the Utilities Funds and the Transportation fund. In Utilities the changes are driven by the timing of collection, updated cost inputs and addition of Erosion Control and Stormwater Infrastructure Inspections. Within the Transportation fund changes are driven primarily by the infrastructure inspections (which as noted had not had fee updates since 1997) and update to number of Transportation funded Development Staff (e.g. Traffic Engineers, Civil Engineers and Inspectors).



**Advisory Group Summary of Findings**

The group acknowledged and agreed with the overall methodology changes, fee structure, calculations and inputs.

The group agreed that though there are increases in some areas, overall the changes make sense and will be less complicated.

The group agrees with 100% cost recovery. Fees must reflect the cost it takes to provide the service and nothing more.

**Public Outreach**

Staff engaged in a robust public outreach process with the following groups:

- Fort Collins Board of Realtors
- Northern Colorado Homebuilder's Association
- Downtown Development Authority
- North Fort Collins Business Association
- Local Legislative Affairs Committee
- Affordable Housing Board
- Water Board
- Economic Advisory Commission
- Building Review Board
- Planning & Zoning Board

Similar to the Advisory Committee, Staff heard that any fee increases were not desirable; but the groups clearly and easily understood the logic for the increases. Questions related to efficiency of operations were also addressed, for example: if City staff become more efficient at processing various application types do the fees go down? The answer to these concerns was yes, which is why the City is also spending considerable resources to make development review process improvements to ensure City is being as efficient as possible.

Two of the outreach groups raised concern over the cost of the Extra Occupancy Rental type application (which is proposed to be \$1,750). Staff communicated that this is how much it costs in staff time to complete the needed steps as required under the City code. Either a code change or less than 100% cost recovery of the fee would be needed to lower the amount. It was discussed that setting fee recovery percentage on individual fees may create an undesired trickle-down effect and would be administratively burdensome to complete.

### **Staff Recommendation**

Staff returned to Council Finance Committee in October of 2019 (50% of the way through the public outreach process) to report back final fee amounts, comparative analysis, and feedback garnered to that point. Council Finance was supportive of the fee updates and recommended adoption of the updated methodology and fee schedule by the City Manager pending any additional feedback to the contrary.

### **Next Steps**

If no other major concerns are brought forward, the City Manager will administratively approve the fee changes. Staff will work to ensure stakeholders are informed of the changes and new fees will go into effect April 1, 2020.

### **Attachments**

Attachment 1: Memo from Development Review Fee Advisory Committee

Attachment 2: Proposed Fees

Attachment 3: Council Finance Committee October 2019 Presentation

Attachment 4: Summary of Feedback and Raw Notes from Outreach



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## MEMORANDUM

**DATE:** September 9, 2019

**TO:** City Leaders

**THRU:** Noelle Currell, Manager, FP&A  
Tom Leeson, CDNS Director

**FROM:** Jennifer Bray: Affordable Housing Board  
Adam Eggleston: Ft. Collins Board of Realtors  
Doug Braden: Home Builders Association  
Matt Robenalt: Downtown Development Authority  
Cathy Mathis: Local Legislative Affairs Committee  
Braulio Rojas: South Ft. Collins Business Association  
Linda Stanley: Economic Advisory Commission

**RE:** Development Review Fee Study Advisory Committee

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**Purpose:**

The purpose of this memorandum is to inform City Leaders of the Development Review Fee Advisory Committee's recommendations regarding action to update the City's Development Review and Building Permit fees.

**Position:**

The Development Review Fee Advisory Committee was formed based on Council Finance Committee's directive to better understand how to simplify the current fee schedule, calculating of fees, timing of fee collection, validating and gaining buy-in to a new methodology and providing recommendations. This fee committee met five times between May and September.

**Recommendations:**

**Methodology Change:** The group agreed that the methodology changes are sound and that there are positive benefits with these changes. It is felt the fee changes do not have a crushing impact.

**Cost Recovery:** It was agreed upon that recovery of costs should be set at 100%.



Storm Water Construction Inspection: This is a new fee and is necessary to cover the cost of inspectors for storm water construction. The group agreed that this fee should be included in the fee listing.

Small project fees, Director Discretion: It was felt by the group that the Director of Community Development and Neighborhood Services should have discretion in relation to small project fees.

Public Outreach: The following list is the agreed up public outreach that will take place before this item goes before Council:

<b>Organization</b>	<b>Contact</b>
Affordable Housing Board	Sue Beck-Ferkiss
Water Board	<a href="mailto:tconnor@fcgov.com">tconnor@fcgov.com</a>
Super Issues Forum	Christine Macrina < <a href="mailto:cmacrina@fcgov.com">cmacrina@fcgov.com</a> >
Building Review Board	<a href="mailto:rhovland@fcgov.com">rhovland@fcgov.com</a>
Fort Collins Board of Relators	<a href="mailto:Heather@fcb.org">Heather@fcb.org</a>
Local Legislative Affairs Committee	<a href="mailto:ahutchison@fcchamber.org">ahutchison@fcchamber.org</a> or at (970) 482-3746
Northern Colorado Homebuilder's Association	<a href="mailto:nikki@nocohba.com">nikki@nocohba.com</a>
Economic Advisory Commission	Josh Birks
Housing Catalyst	<a href="mailto:jbrewen@housingcatalyst.com">jbrewen@housingcatalyst.com</a>
Downtown Development Authority	Matt & Kristy
North Fort Collins Business Association	<a href="mailto:greg.woods@stewart.com">greg.woods@stewart.com</a>
South Fort Collins Business Association	<a href="mailto:brian@legacyfinancialgroup.us.com">brian@legacyfinancialgroup.us.com</a>
Planning & Zoning Board	<a href="mailto:reverette@fcgov.com">reverette@fcgov.com</a>

<b>New Building Pricing</b>				
CONSTRUCTION OF NEW BUILDINGS (Permit and Plan Check):	Total Cost / Sq Ft	Total Cost / Sq Ft Stock Plan	Staff Recommended	Stock Plan - Staff Recommended
A (Assembly)	\$ 0.37		\$ 0.40	
B (Business)	\$ 0.46		\$ 0.50	
<b>E (Educational) (set by State, not able to allocate)</b>				
<b>F (Factory)</b>	\$ 0.33		\$ 0.35	
<b>I (Institutional)</b>	\$ 0.46		\$ 0.50	
<b>M (Mercantile)</b>	\$ 0.37		\$ 0.40	
<b>R-1 (Hotel)</b>	\$ 0.30		\$ 0.35	
R-2 (Apartment)	\$ 0.32		\$ 0.35	
R-3 (Single Family Detached/Duplex)	\$ 0.62	\$ 0.51	\$ 0.65	\$ 0.55
<b>R-4 (Assisted Living)</b>	\$ 0.52		\$ 0.55	
<b>S (Storage)</b>	\$ 0.37		\$ 0.40	
U (Utility)	\$ 0.36		\$ 0.40	

<b>Tenant Improvements</b>	
Up to Value:	Scale
\$ 2,000	\$105
\$ 25,000	\$105 for the first \$2k, then \$15.5 for each \$1k after
\$ 50,000	\$462.5 for the first \$25k, then \$10.5 for each \$1k after
\$ 100,000	\$725 for the first \$50k, then \$6.5 for each \$1k after
\$ 500,000	\$1050 for the first \$100k, then \$60 for each \$10k after
\$ 1,000,000	\$3450 for the first \$500k, then \$55 for each \$10k after

<b>Flat Fee Services</b>		
<b>Project Type:</b>	<b>Cost/Service</b>	<b>Staff Recommended</b>
Air Conditioner Replacement	\$ 60.04	\$ 65.00
Antennas	\$ 60.04	\$ 65.00
Basement Finish	\$ 150.11	\$ 155.00
Boiler Replacement	\$ 60.04	\$ 65.00
Commercial Roof Replacement	\$ 200.14	\$ 210.00
Commercial Signs	\$ 60.04	\$ 65.00
Demolition	\$ 60.04	\$ 65.00
Fireplace (Wood burning, pellet, gas, log)	\$ 60.04	\$ 65.00
Furnace Replacement	\$ 60.04	\$ 65.00
Gas Pipe Installation	\$ 60.04	\$ 65.00
Mobile Home Setup	\$ 80.06	\$ 85.00
Pool/Spa	\$ 100.07	\$ 110.00
Rooftop Unit Replacement	\$ 80.06	\$ 85.00
Single Family Deck or Patio Cover	\$ 100.07	\$ 110.00
Residential Roof Replacement (under XXX square feet)	\$ 80.06	\$ 85.00
Solar PV Systems	\$ 60.04	\$ 65.00
Temporary Sales or Construction Trailer Setup	\$ 80.06	\$ 85.00
Upgrade/ Replace Electrical Service	\$ 60.04	\$ 65.00
Water Heater Replacement	\$ 60.04	\$ 65.00
Window Installation	\$ 60.04	\$ 65.00
<b>Stock Plans:</b>	<b>Cost/Service</b>	<b>Staff Recommended</b>
Single Family Attached	\$ 529.60	\$ 550.00
Single Family Detached	\$ 529.60	\$ 550.00
Duplex	\$ 529.60	\$ 550.00

<b>Infrastructure Construction Inspection</b>				
<b>INSPECTION FEES:</b>	<b>Measure</b>	<b>Cost/Service</b>	<b>Staff Recommended</b>	<b>Minimum Charge</b>
Boring	linear ft. (NEW)	\$ 0.35	\$ 0.40	\$ 50.00
Concrete or asphalt	square yards	\$ 2.50	\$ 2.55	\$ 50.00
Drive Approach	square yards	\$ 1.39	\$ 1.40	\$ 50.00
Fire Access Grass Crete	square yards	\$ 0.63	\$ 0.65	\$ 50.00
Fireline Fitting ( Bend, Tee, Cross )	each	\$ 83.37	\$ 85.00	
Gutter CrossPans	square yards	\$ 2.50	\$ 2.55	\$ 50.00
Meter Pit (1 1/2")	each	\$ 125.05	\$ 130.00	
Meter Pit (3")	each	\$ 396.00	\$ 400.00	
Meter Pit (3/4")	each	\$ 125.05	\$ 130.00	
Pedestrian Ramps	each	\$ 97.26	\$ 100.00	
Potholes	each	\$ 27.79	\$ 30.00	\$ 50.00
Reinforced Concrete Pipe	linear ft.	\$ 1.46	\$ 1.50	\$ 50.00
Sanitary Sewer Main	linear ft.	\$ 2.24	\$ 2.25	\$ 50.00
Sewer Connection/Disconnect	each	\$ 229.26	\$ 230.00	
Sewer Manhole	each	\$ 166.74	\$ 170.00	
Sewer Service Line Stub	each	\$ 416.85	\$ 150.00	
Sidewalk, trails, curb/gutter, curb/gutter w sidewalk	linear ft.	\$ 2.50	\$ 2.55	\$ 50.00
Stormwater Manhole	each	\$ 166.74	\$ 170.00	
Structural concrete, masonry or stone work for retaining walls, box culverts, wing walls, drop structures or other	linear ft.	\$ 2.92	\$ 2.95	\$ 50.00
Trench	linear ft.	\$ 2.29	\$ 2.30	\$ 50.00
Water Connection/Disconnect	each	\$ 250.11	\$ 255.00	
Water Fitting ( Bend, Tee, Cross )	each	\$ 83.37	\$ 85.00	
Water Main	linear ft.	\$ 2.40	\$ 2.45	\$ 50.00
Water Main (Fire Line)**	linear ft.	\$ 2.40	\$ 2.45	\$ 50.00
Water Service Line Stub	each	\$ 416.85	\$ 150.00	
<b>APPURTENANCES:</b>				
Fire Hydrant	each	\$ 250.11	\$ 255.00	
Fittings	each	\$ 83.37	\$ 85.00	
Inlet	each	\$ 229.26	\$ 230.00	
Valve and Valve Box	each	\$ 104.21	\$ 105.00	
<b>DRIVEWAY PERMIT:</b>				
For driveway up to 15' wide	each	\$ -	\$ 75.00	
<b>EXCAVATION PERMITS:</b>				
Application Fee	each	\$ 41.68	\$ 45.00	

<b>Planning Fees</b>		
<b>Service Name:</b>	<b>Cost/Service</b>	<b>Staff Recommended</b>
Addition of Permitted Use	\$ 5,807	\$ 5,825
Additional Rounds of Review	\$ 6,629	\$ 6,650
Annexation	\$ 5,103	\$ 5,125
Basic Development Review	\$ 13,783	\$ 13,800
Change of Use	\$ 4,793	\$ 4,800
Development Construction Permit (DCP):	\$ 2,001	\$ 2,025
Easement Vacation	\$ 1,018	\$ 1,025
Easement/Right-of-way Dedication	\$ 672	\$ 675
Extra Occupancy Rental	\$ 1,730	\$ 1,750
Final Plan	\$ 17,242	\$ 17,250
Limited-Scope Project (Director Discretion)	\$ -	\$ 5,600
Lot Line adjustments	\$ 329	\$ 350
Major Amendment	\$ 15,379	\$ 15,400
Minor Amendment	\$ 4,769	\$ 4,775
Modification of Standards	\$ 1,559	\$ 1,575
Off-site construction Staging	\$ 431	\$ 450
Overall Development Plan	\$ 10,274	\$ 10,275
Plan Amendment (for deviations from City Plan or Sub Area Plans)	\$ 10,419	\$ 10,425
Preliminary Development Review	\$ 2,542	\$ 2,550
Project Development Plan(PDP) Initial	\$ 22,406	\$ 22,425
PUD Large +640 acres	\$ 109,656	\$ 109,675
PUD Small 50 - 640 acres	\$ 42,155	\$ 42,175
Reasonable Accomodation Request	\$ 519	\$ 525
Rezoning	\$ 4,776	\$ 4,800
Right of Way Vacation	\$ 1,593	\$ 1,600
Road Project	\$ 11,640	\$ 11,650
Short Term Rental Denial Appeal	\$ 182	\$ 200
Text Amendments	\$ 2,973	\$ 2,975
Variance	\$ 412	\$ 425
Wireless telecomm - Final	\$ 3,148	\$ 3,150
Wireless telecomm - Initial	\$ 2,991	\$ 3,000
Zoning Verification Letter	\$ 140	\$ 150

### **Erosion Control**

Dependent on number of lots, acres of site disturbance and expected years of inspection

<b>Stormwater Infrastructure</b>		
<b>Feature Type</b>	<b>Measure</b>	<b>Cost</b>
Porous Pavers	quantity of instances	\$ 365
Bioretention	quantity of instances	\$ 315
Extended Detention Basin	quantity of instances	\$ 250
Ungerground Treatment	quantity of instances	\$ 415



Development Review Fee Updates – Council Finance  
Tom Leeson/Noelle Currell – October 21, 2019



## Council Finance Direction Sought

- Is Council Finance supportive of updated fees and methodology?
- Is Council Finance supportive of new Erosion Control & Stormwater Construction Inspection Fees?



# Fee Coordination Timeline

	2016	2017	2018	2019	2020	2021
<b>Capital Expansion Fees</b>		Update	Step II	Step III		Update
<b>Transportation CEFs</b>		Update	Step II			Update
<b>Electric Capacity Fees</b>		Update		Update		Update
<b>Water Supply Requirement</b>		Update		Update		Update
<b>Wet Utility Fees</b>			Update	Update		Update
<b>Building Development Fees</b>				Update		Update
<b>Fee Working Group</b>		Active	Active	Active		

## Detailed fee studies:

- 4 years for CEF, TCEFs & Development fees
- 2 years for Utility fees

*In years without updates, an annual inflation adjustment occurs*

## 2019 Fee Group – Development Review/Building Fees only

- Decoupled from 2019 fee update



# What is Development Review & Purpose of Fees



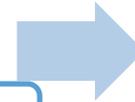
## Development Review

- Project Development Plan
- Final Development Plan
- Major/Minor Amendments



## Development Construction Permit

- Infrastructure
- Erosion Control
- Stormwater



## Building Permit

- Plans Review
- Building Inspections

Fees recover the costs to process, review, inspect and record applications pertaining to development applications/activity and issuance permits related thereto.



## Fees in Scope for this Study

Fee Type	Description	When is it Paid?	# of Application Types/Fees/Measures
1. Development Review Fees	Covers staff time related to reviews of development in the community	Development Application Submittal	32
2. Infrastructure Inspections	Covers infrastructure, erosion controls and stormwater inspections	Development Construction Permit Issuance	37
3. Building Permit	Covers staff time/materials inspecting buildings	Building Permit Issuance	37

- Customer Focus → ~150 “fees” to 106



# History of Fees

- Last Update – Varies by Type/Department of City
  - Infrastructure Inspections - 1997
  - Utilities Development Review - 2001
  - Development Review - 2006
  - Building Permits - 2011
- Cost recovery assumptions varied by type of fee/department
- Costs spread across multiple areas of city and fractions of people making accurate assessment actual cost difficult
- Staff initiated a bottoms up analysis of costs associated with each fee



## How Did Staff Update

- Met with every staff member involved in process
- Based on their experience, determined time the activity drives
- Used actual personnel, materials and overhead costs to develop new fee
- Did a look back – used historical fee volumes and new fee numbers to validate costs and revenue are aligned



# Key Updates & Impacts

Fee Type	Methodology Changes	Cost Recovery	Impact to Fees
Development Review Fees	<ul style="list-style-type: none"> <li>All Cost Inputs Updated</li> <li>Some Costs Previously in Permits now in Development Review Fees</li> <li>Fees Consolidated</li> <li>Utility Fees Based on Full Cost Recovery</li> <li>Utility Fees Collected at Time of Service</li> </ul>	100%	↑
Infrastructure Inspections	<ul style="list-style-type: none"> <li>All Cost Inputs updated</li> <li>New Fees Proposed</li> </ul>	100%	↑
Building Permit	<ul style="list-style-type: none"> <li>All Cost Inputs updated</li> <li>New construction → square footage based vs. value based</li> <li>Over the counter → Flat Fees</li> </ul>	100%	↓



# New Erosion Control/Stormwater Fees

- **Two Fees**
  - **Erosion Control Construction Inspection**
    - Bi-weekly inspections of developments currently under construction
    - Fee based on size of site and duration of construction
  - **Stormwater**
    - Inspection of permanent Stormwater infrastructure (e.g. porous pavers)
    - Fee based on quantity/type of Stormwater Facilities
- **Why Needed**
  - **Activities are currently being carried out by City Staff – being funded through rate payers, not development**
- **Fees are Paid at Development Construction Permit**





## City Revenue Impact

Fee Type	Current Collections*	Future*
1. Development Review	\$583K	\$3,654K
2. Infrastructure Inspection	\$322K	\$898K
New Stormwater Fees	\$0	\$75k-\$100K
3. Building Permit	\$4,751K	\$3,008K
<b><u>Total</u></b>	<b>\$5.6M</b>	<b>\$7.6M</b>

Costs include: Personnel, Materials and OH

\*Current collections is 2018 actual data, Future is 2018 volumes w/ new fee amounts



## Infill/Mixed Use - Uncommon

Residential Sq Ft – 175,884  
 Commercial Sq Ft – 6,952  
 Tenant Finish Value - \$250k  
 119 Units  
 Decrease of \$96/unit



Fee Type	Old Structure/What was Actually Paid						New Fee Structure						New H/(L) Old	% Change
	PDP	FDP	DCP	Building Permit	Others	Total	PDP	FDP	DCP	Building Permit	Others	Total		
Development Review	25,083	2,000	400	-	-	27,483	22,425	17,250	5,132	-	-	44,807	17,324	63.0%
Infrastructure Inspections	-	-	2,722	-	-	2,722	-	-	7,931	-	-	7,931	5,209	191.4%
Building Permit	-	-	-	100,619	-	100,619	-	-	-	66,638	-	66,638	(33,981)	-33.8%
<b>Subtotal Fees Updated</b>	<b>25,083</b>	<b>2,000</b>	<b>3,122</b>	<b>100,619</b>	<b>-</b>	<b>130,823</b>	<b>22,425</b>	<b>17,250</b>	<b>13,063</b>	<b>66,638</b>	<b>-</b>	<b>119,375</b>	<b>(11,448)</b>	<b>-8.8%</b>
Escrows	-	-	-	-	71,483	71,483	-	-	-	-	71,483	71,483	-	0.0%
Impact Fees	-	-	-	839,735	-	839,735	-	-	-	839,735	-	839,735	-	0.0%
Others	250	-	-	509,369	700	510,319	250	-	-	509,369	700	510,319	-	0.0%
<b>Subtotal Other Fees</b>	<b>250</b>	<b>-</b>	<b>-</b>	<b>1,349,104</b>	<b>72,183</b>	<b>1,421,536</b>	<b>250</b>	<b>-</b>	<b>-</b>	<b>1,349,104</b>	<b>72,183</b>	<b>1,421,536</b>	<b>-</b>	<b>0.0%</b>
<b>Grand Total</b>	<b>\$25,333</b>	<b>\$2,000</b>	<b>\$ 3,122</b>	<b>\$ 1,449,722</b>	<b>\$72,183</b>	<b>\$1,552,360</b>	<b>\$22,675</b>	<b>\$ 17,250</b>	<b>\$ 13,063</b>	<b>\$ 1,415,742</b>	<b>\$72,183</b>	<b>\$1,540,912</b>	<b>\$ (11,448)</b>	<b>-0.7%</b>



# Residential Single Family Timbervine



178 Building Permits

173 Units

327k residential sq ft added

7 Stock plans

Increase of \$119/unit

Fee Type	Old Structure/What was Actually Paid						New Fee Structure						New H/(L) Old	% Change
	PDP	FDP	DCP	Building Permit	Others	Total	PDP	FDP	DCP	Building Permit	Others	Total		
Development Review	40,150	4,000	400	-	8,499	53,049	20,348	31,927	18,735	-	25,919	96,930	43,881	82.7%
Infrastructure Inspections	-	-	55,433	-	-	55,433	-	-	190,733	-	-	190,733	135,300	244.1%
Building Permit	-	-	-	338,469	4,204	342,673	-	-	-	184,033	-	184,033	(158,639)	-46.3%
<b>Subtotal Fees Updated</b>	<b>40,150</b>	<b>4,000</b>	<b>55,833</b>	<b>338,469</b>	<b>12,703</b>	<b>451,155</b>	<b>20,348</b>	<b>31,927</b>	<b>209,468</b>	<b>184,033</b>	<b>25,919</b>	<b>471,697</b>	<b>20,542</b>	<b>4.6%</b>
Escrows	-	-	-	-	6,500	6,500	-	-	-	-	6,500	6,500	-	0.0%
Impact Fees	-	-	-	1,970,176	-	1,970,176	-	-	-	1,970,176	-	1,970,176	-	0.0%
Others	250	-	446	762,904	750	764,349	250	-	446	762,904	750	764,349	-	0.0%
<b>Subtotal Other Fees</b>	<b>250</b>	<b>-</b>	<b>446</b>	<b>2,733,080</b>	<b>7,250</b>	<b>2,741,026</b>	<b>250</b>	<b>-</b>	<b>446</b>	<b>2,733,080</b>	<b>7,250</b>	<b>2,741,026</b>	<b>-</b>	<b>0.0%</b>
<b>Grand Total</b>	<b>\$40,400</b>	<b>\$4,000</b>	<b>\$56,279</b>	<b>\$3,071,549</b>	<b>\$19,953</b>	<b>\$3,192,180</b>	<b>\$20,598</b>	<b>\$31,927</b>	<b>\$209,914</b>	<b>\$2,917,113</b>	<b>\$33,169</b>	<b>\$3,212,722</b>	<b>\$20,542</b>	<b>0.6%</b>



# Residential Multi-Family The Wyatt

Residential Sq Ft – 356,324

Garage Sq Ft – 26,974

Clubhouse Sq Ft – 7,732

368 units

Decrease of \$378/unit



Fee Type	Old Structure/What was Actually Paid						New Fee Structure						New H/(L) Old	% Change
	PDP	FDP	DCP	Building Permit	Others	Total	PDP	FDP	DCP	Building Permit	Others	Total		
Development Review	47,312	2,000	400	-	2,186	51,898	21,650	16,785	2,025	-	8,595	49,055	(2,843)	-5.5%
Infrastructure Inspections	-	-	42,170	-	-	42,170	-	-	98,341	-	-	98,341	56,170	133.2%
Building Permit	-	-	-	333,831	-	333,831	-	-	-	141,443	-	141,443	(192,389)	-57.6%
<b>Subtotal Fees Updated</b>	<b>47,312</b>	<b>2,000</b>	<b>42,570</b>	<b>333,831</b>	<b>2,186</b>	<b>427,900</b>	<b>21,650</b>	<b>16,785</b>	<b>100,366</b>	<b>141,443</b>	<b>8,595</b>	<b>288,838</b>	<b>(139,062)</b>	<b>-32.5%</b>
Escrows	-	-	-	-	21,765	21,765	-	-	-	-	21,765	21,765	-	0.0%
Impact Fees	-	-	-	3,483,740	-	3,483,740	-	-	-	3,483,740	-	3,483,740	-	0.0%
Others	250	-	56,959	953,110	650	1,010,969	250	-	56,959	953,110	650	1,010,969	-	0.0%
<b>Subtotal Other Fees</b>	<b>250</b>	<b>-</b>	<b>56,959</b>	<b>4,436,850</b>	<b>22,415</b>	<b>4,516,474</b>	<b>250</b>	<b>-</b>	<b>56,959</b>	<b>4,436,850</b>	<b>22,415</b>	<b>4,516,474</b>	<b>-</b>	<b>0.0%</b>
<b>Grand Total</b>	<b>\$ 47,562</b>	<b>\$ 2,000</b>	<b>\$ 99,529</b>	<b>\$ 4,770,682</b>	<b>\$ 24,601</b>	<b>\$ 4,944,374</b>	<b>\$ 21,900</b>	<b>\$ 16,785</b>	<b>\$ 157,324</b>	<b>\$ 4,578,293</b>	<b>\$ 31,010</b>	<b>\$ 4,805,312</b>	<b>\$ (139,062)</b>	<b>-2.8%</b>



# Affordable Housing Village on Redwood



Residential Sq Ft – 84k

72 units

18% affordable housing waivers

Decrease of \$818/unit

Fee Type	Old Structure/What was Actually Paid						New Fee Structure						New H/(L) Old	% Change
	PDP	FDP	DCP	Building Permit	Others	Total	PDP	FDP	DCP	Building Permit	Others	Total		
Development Review	19,364	2,000	400	-	600	22,364	22,425	17,250	8,167	-	5,450	53,292	30,928	138.3%
Infrastructure Inspections	-	-	7,437	-	-	7,437	-	-	14,519	-	-	14,519	7,082	95.2%
Building Permit	-	-	-	117,689	-	117,689	-	-	-	30,922	-	30,922	(86,767)	-73.7%
<b>Subtotal Fees Updated</b>	<b>19,364</b>	<b>2,000</b>	<b>7,837</b>	<b>117,689</b>	<b>600</b>	<b>147,490</b>	<b>22,425</b>	<b>17,250</b>	<b>22,686</b>	<b>30,922</b>	<b>5,450</b>	<b>98,733</b>	<b>(48,757)</b>	<b>-33.1%</b>
Escrows	-	-	-	-	40,073	40,073	-	-	-	-	40,073	40,073	-	0.0%
Impact Fees	-	-	-	904,504	-	904,504	-	-	-	904,504	-	904,504	-	0.0%
Others	250	-	-	288,215	-	288,465	250	-	-	288,215	-	288,465	-	0.0%
Waiver Amount	(2,985)	(360)	-	(97,333)	(30)	(100,708)	(4,037)	(3,105)	(597)	(102,899)	(206)	(110,843)	(10,135)	10.1%
<b>Subtotal Other Fees</b>	<b>(2,735)</b>	<b>(360)</b>	<b>-</b>	<b>1,095,386</b>	<b>40,043</b>	<b>1,132,334</b>	<b>(3,787)</b>	<b>(3,105)</b>	<b>(597)</b>	<b>1,089,820</b>	<b>39,867</b>	<b>1,122,198</b>	<b>(10,135)</b>	<b>-0.9%</b>
<b>Grand Total</b>	<b>\$16,629</b>	<b>\$1,640</b>	<b>\$7,837</b>	<b>\$1,213,075</b>	<b>\$40,643</b>	<b>\$1,279,824</b>	<b>\$18,639</b>	<b>\$14,145</b>	<b>\$22,089</b>	<b>\$1,120,742</b>	<b>\$45,317</b>	<b>\$1,220,931</b>	<b>\$ (58,892)</b>	<b>-4.6%</b>



# Commercial - Harmony Commons



Commercial Sq ft – 25,805

Hotel Sq Ft – 59,594

Child care Sq Ft – 12,142

Total Value of Tenant Finishes - \$3.72M

Increase of \$49k

Fee Type	Old Structure/What was Actually Paid						New Fee Structure						New H/(L) Old	% Change
	PDP	FDP	DCP	Building Permit	Others	Total	PDP	FDP	DCP	Building Permit	Others	Total		
Development Review	85,064	8,000	800	-	11,322	105,185	89,700	69,000	2,780	-	24,700	186,180	80,995	77.0%
Infrastructure Inspections	-	-	4,034	-	-	4,034	-	-	24,264	-	-	24,264	20,231	501.5%
Building Permit	-	-	-	123,890	1,854	125,744	-	-	-	73,612	-	73,612	(52,132)	-41.5%
<b>Subtotal Fees Updated</b>	<b>85,064</b>	<b>8,000</b>	<b>4,834</b>	<b>123,890</b>	<b>13,176</b>	<b>234,963</b>	<b>89,700</b>	<b>69,000</b>	<b>27,044</b>	<b>73,612</b>	<b>24,700</b>	<b>284,056</b>	<b>49,093</b>	<b>20.9%</b>
Escrows	-	-	-	-	120,720	120,720	-	-	-	-	120,720	120,720	-	0.0%
Impact Fees	-	-	-	969,000	-	969,000	-	-	-	969,000	-	969,000	-	0.0%
Others	1,000	-	-	505,049	3,985	510,034	1,000	-	-	505,049	3,985	510,034	-	0.0%
<b>Subtotal Other Fees</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>1,474,049</b>	<b>124,705</b>	<b>1,599,754</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>1,474,049</b>	<b>124,705</b>	<b>1,599,754</b>	<b>-</b>	<b>0.0%</b>
<b>Grand Total</b>	<b>\$86,064</b>	<b>\$8,000</b>	<b>\$4,834</b>	<b>\$ 1,597,939</b>	<b>\$137,881</b>	<b>\$1,834,718</b>	<b>\$90,700</b>	<b>\$69,000</b>	<b>\$27,044</b>	<b>\$ 1,547,661</b>	<b>\$149,405</b>	<b>\$1,883,810</b>	<b>\$ 49,093</b>	<b>2.7%</b>



# Industrial - South College Storage



Storage sq ft – 107,890

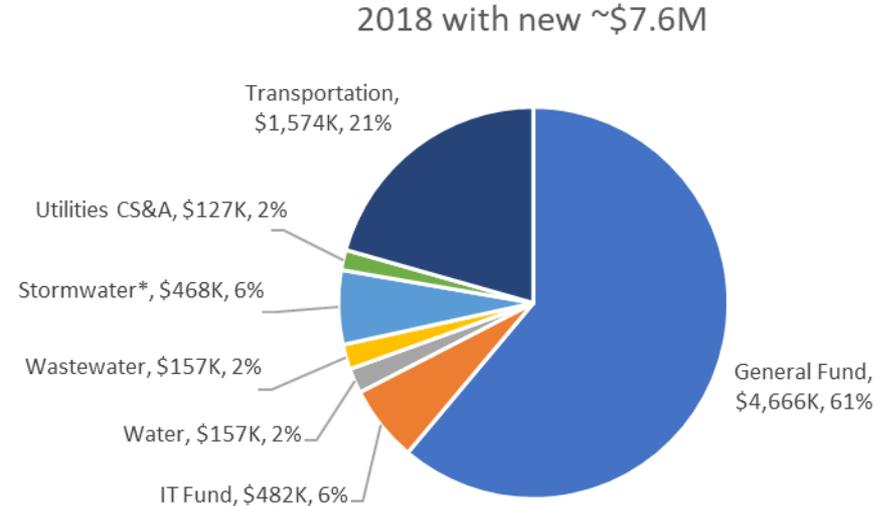
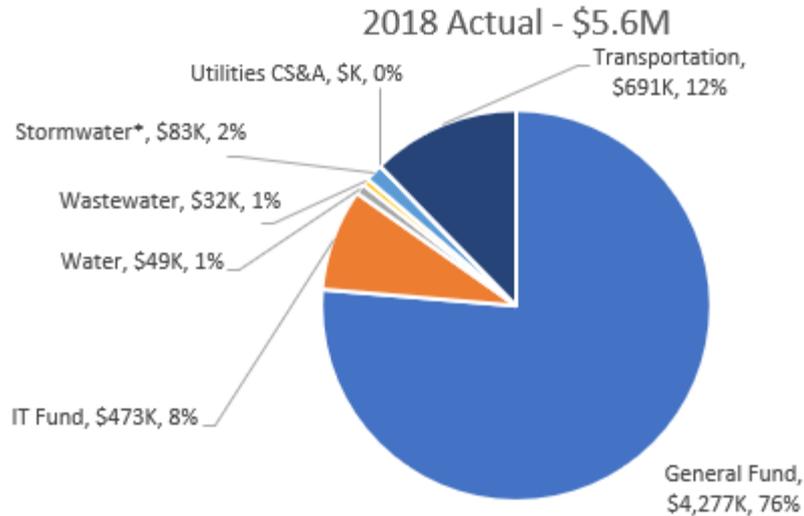
\$5.8M valuation

Increase of \$30k

Fee Type	Old Structure/What was Actually Paid						New Fee Structure						New H/(L) Old	% Change
	PDP	FDP	DCP	Building Permit	Others	Total	PDP	FDP	DCP	Building Permit	Others	Total		
Development Review	37,372	2,000	400	-	-	39,772	22,425	17,250	1,657	-	-	41,332	1,560	3.9%
Infrastructure Inspections	-	-	8,198	-	-	8,198	-	-	28,808	-	-	28,808	20,610	251.4%
Building Permit	-	-	-	35,476	-	35,476	-	-	-	43,156	-	43,156	7,680	21.6%
<b>Subtotal Fees Updated</b>	<b>37,372</b>	<b>2,000</b>	<b>8,598</b>	<b>35,476</b>	<b>-</b>	<b>83,446</b>	<b>22,425</b>	<b>17,250</b>	<b>30,465</b>	<b>43,156</b>	<b>-</b>	<b>113,296</b>	<b>29,850</b>	<b>35.8%</b>
Impact Fees	-	-	-	146,930	-	146,930	-	-	-	146,930	-	146,930	-	0.0%
Others	250	-	-	127,600	-	127,850	250	-	-	127,600	-	127,850	-	0.0%
<b>Subtotal Other Fees</b>	<b>250</b>	<b>-</b>	<b>-</b>	<b>274,530</b>	<b>-</b>	<b>274,780</b>	<b>250</b>	<b>-</b>	<b>-</b>	<b>274,530</b>	<b>-</b>	<b>274,780</b>	<b>-</b>	<b>0.0%</b>
<b>Grand Total</b>	<b>\$37,622</b>	<b>\$2,000</b>	<b>\$8,598</b>	<b>\$ 310,007</b>	<b>\$ -</b>	<b>\$358,227</b>	<b>\$22,675</b>	<b>\$17,250</b>	<b>\$30,465</b>	<b>\$ 317,686</b>	<b>\$ -</b>	<b>\$388,077</b>	<b>\$ 29,850</b>	<b>8.3%</b>



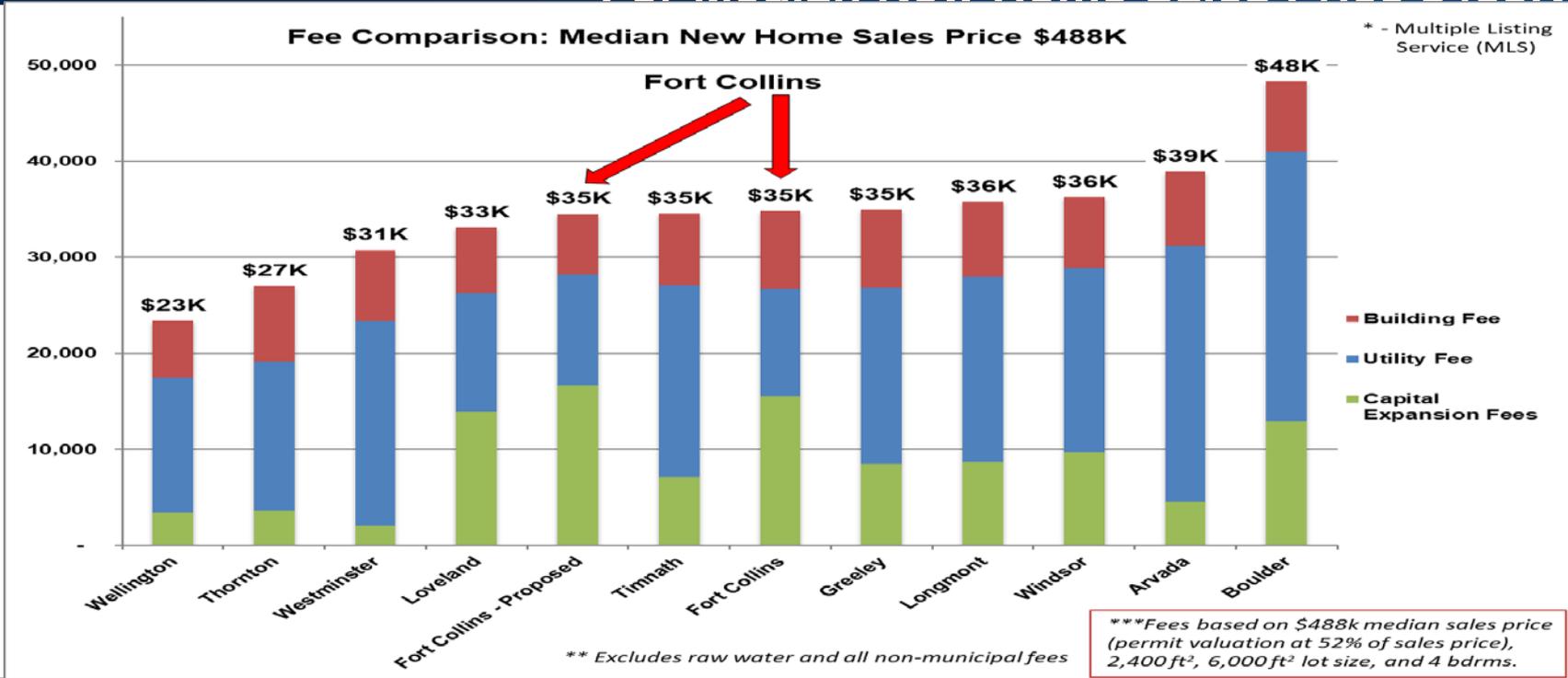
## City Revenue impacts by Fund



Revenue increases about \$2M – mainly in Transportation and Utilities Funds which have not been recovering cost



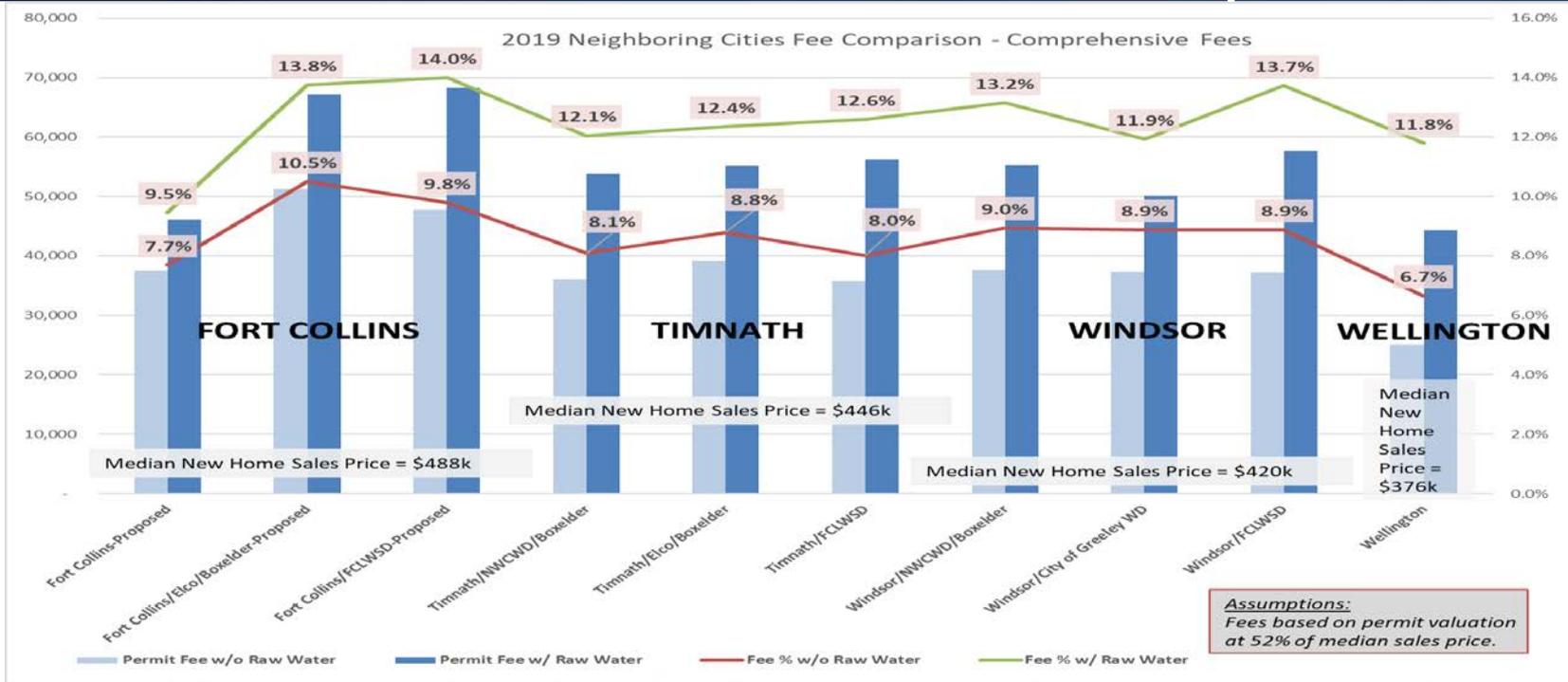
# Fee Comparison: For Median New Home Sales Price \$488K\*



**Fort Collins Proposed Fees in the Lower-Middle of the Pack**



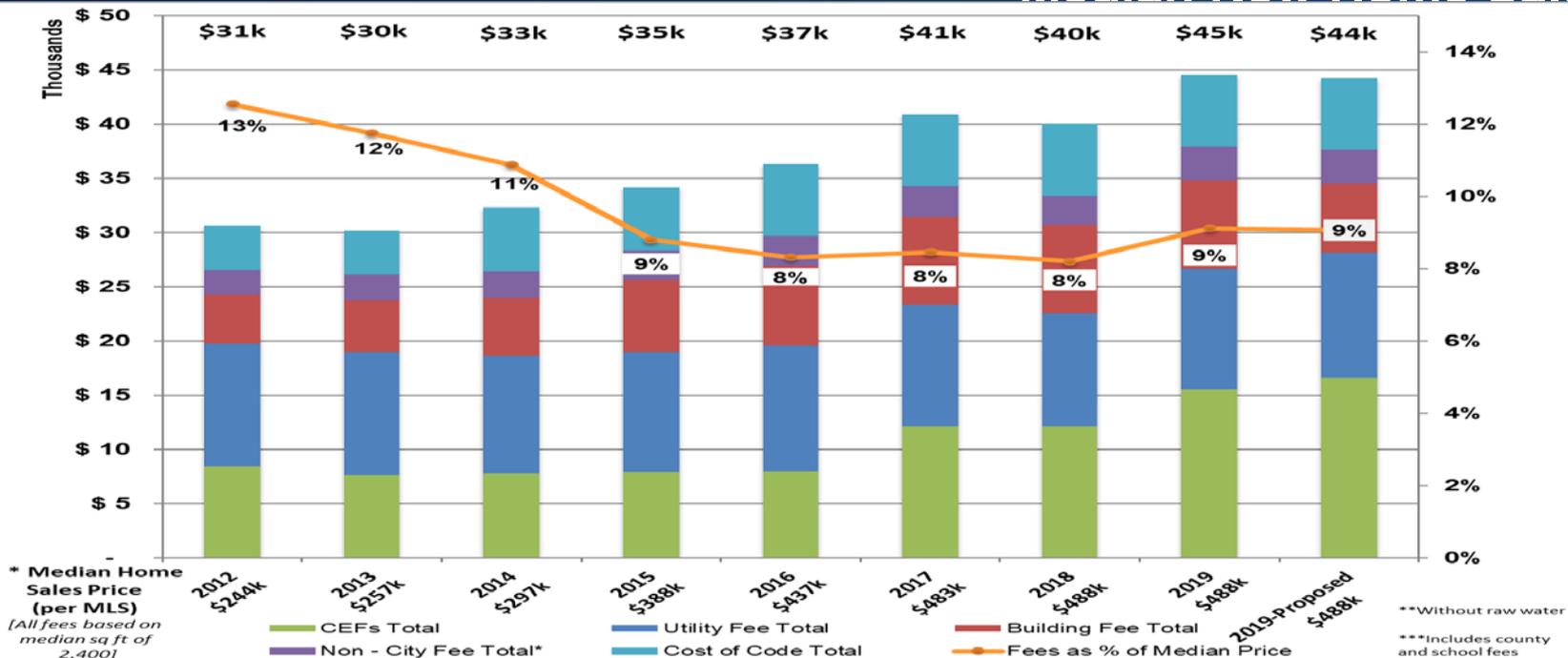
# Neighboring Cities New Median Sales Comparison with Fees



**Fort Collins Fees are Inline with Neighboring Cities**



# Fort Collins Fee Stack Median New Home Sales



**Fort Collins Fees & Code Cost Impact is Leveling %  
of Median New Home Sales Price**



# Advisory Committee

- Advisory Committee Members
  - 16 invitees
  - City Staff, DDA, Board of Realtors, Affordable Housing, EAC, Developers, Builders
- 8 hours of meetings spread over 4 months
- Final outcomes
  - Unanimously Supported
  - Fee increase concerns, but understand drivers
  - Acknowledgement that these fees are a very small percentage of the total fees paid to the City and overall impact is small (-4 - 9% of total fees)



# Public Outreach

Organization	Date
Fort Collins Board of Relators	10/8/2019
Northern Colorado Homebuilder's Association	10/9/2019
Local Legislative Affairs Committee	10/11/2019
Planning & Zoning Board	10/11/2019
Affordable Housing Board	10/15/2019
Water Board	10/17/2019
Super Issues Forum	10/29/2019
Building Review Board	10/31/2019
Downtown Development Authority	11/14/2019
Economic Advisory Commission	TBD
Housing Catalyst	TBD
North Fort Collins Business Association	TBD
South Fort Collins Business Association	TBD



## Next Steps

- October/November/December – Outreach
- 1/14/20 – Council Work Session
- Feb 2020 – Adoption
- April 2020 – Fees Implemented
- Summer 2021 – Fee Updates in Coordination with all other Fees (lead out of Finance)



## Council Finance Direction Sought

- Is Council Finance supportive of updated fees and methodology?
- Is Council Finance supportive of new Erosion Control & Stormwater Construction Inspection Fees?



Backup



# Methodology

1. List of fees/application types was thoroughly reviewed
  - Fees will be “consolidated” from customer side – customer currently sees breakout; they will see one number and City will split out amongst funds on the backend
  - Certain fees no longer called out individually (e.g. Sign Posting or Affected Property Owners)
2. Identification of all staff involved in fee related activities
3. Interviews with staff on individual fees/application types – amount of time spent per item - average
4. Calculation of fully burdened cost of employees
5. Fees based on fully burdened cost and time



## How they are Calculated: 100% Cost Recovery

### Example of Calculated Amount – Sewer Manhole:

- Fully burdened hourly inspector cost - \$56.06/hour
  - Cost includes salary, benefits, vehicle, clothing, computer refreshes, annual training/certifications
- Total time for Inspection – 120 minutes
- Total Direct Cost - \$112.12
- Total Indirect Cost - \$60.61
  - Includes Inspector Manager time, admin time (take in application), software, building, general City OH (HR, Legal, Finance)
- Calculated Cost - \$172.73



# Tenant Improvements Examples

<u>Value</u>	<u>Description</u>	<u>Current Fee</u>	<u>New Fee</u>	<u>Change</u>	<u>% Change</u>
\$ 450	Install new electrical breaker for the installation of canned lights, and install vent to washer. Replaced water lines for sink and washer box. with stub wall.	\$ 25	\$ 50	\$ 25	100%
\$ 3,400	Install a a 40,000 btu garage furnace and install 50 ft of gas line and add new electrical circuit.	\$ 142	\$ 127	\$ (15)	-11%
\$ 21,000	This in an addition of an unheated 3 season Sunroom (12'X15') 180 sq. ft. including several new caissons added at engineered support points with a 60 foot patio pad extension on west side and 26 foot patio pad extension on the south side, and adding electrical.	\$ 522	\$ 400	\$ (123)	-23%
\$ 34,000	Remodel of 3033 to include constructing small sections of demising walls to separate space into 3 retail suites. Relocate light switches as needed and modify one entrance/exit door and add 3rd entrance/exit door for tenant B. Add doors to separate tenant suites from the common area.	\$ 757	\$ 557	\$ (200)	-26%
\$ 65,000	Tenant finish of 2,515 sq. ft. for "Crooked Stave Taproom" to include minor demolition, electric, mechanical and plumbing. Work to also include changing out light fixtures, and adding wood planks and painting no exterior foyer.	\$ 1,209	\$ 823	\$ (387)	-32%
\$ 120,000	Interior remodel of 265 sq ft to include removing one non-loading curtain wall to open up the kitchen and extend it into the current study. Adding a new gas range with hood, moving existing electrical and plumbing as needed. Black Timber Builders to do the framing.	\$ 1,789	\$ 1,170	\$ (619)	-35%
\$ 480,000	Tenant finish of 8300 sq ft for 'Computer Services, Inc.' to include reconfiguring the current office space, new framing, acoustical ceilings, fire sprinkler modifications, plumbing, HVAC and electrical.	\$ 4,669	\$ 3,330	\$ (1,339)	-29%
\$ 1,000,000	Complete interior demoltion and tenant finish of 10898 sq ft to include relocating office spaces, meeting spaces, restrooms and a second story addition of 1186 sq ft will be added. Exterior changes will include changing the existing façade to match the addition.Steel frame construction throughout building.	\$ 8,429	\$ 6,200	\$ (2,229)	-26%
\$10,288,390	Renovation of existing 25,075 sq. ft. building to include new manufacturing/ testing space on 1st floor with office and conference rooms. Mechanical equipment will be housed in mechanical basement. All new mechanical and plumbing work throughout building, including (9) new rooftop HVAC units. Minor exterior improvements including new entry canopy on southeast corner and small (2x5') windows on south and east sides of building.	\$ 53,905	\$ 57,286	\$ 3,381	6%

**Development Review Fee Study Outreach Summary (Any questions that were not answered in person during the presentation have responses from Staff in bold below)**

Rev 12/10/2019 – Noelle A Currell

**Fort Collins Board of Realtors – 10/8/2019**

- Feedback:
  - Extra occupancy rental – seems like it could impact attempts to create more affordable housing
  - Feels like there is “fee creep” and that smaller homes are impacted more than larger home
  - Can we charge attainable housing less than the proposed flat fees for development review – would need to take this up w/ Council or City Manager
- Questions: none that were not answered during the presentation

**Northern Colorado Homebuilders Association – 10/9/2019**

- Feedback:
  - Any increase in fees on single family homes is hard to swallow
- Questions:
  - Could Fort Collins collect certain fees (e.g. capital expansion fees) at time of CO instead of at time of building permit? This would be impactful to builders and their cash flow.

**Local Legislative Affairs Committee – 10/11/2019**

- Feedback:
  - It would be interesting to see the historical cost/unit increase not just in Fort Collins, but in surrounding communities (Staff noted this would be an intense analysis with many moving parts).
  - Global concern about ever growing fee stack
  - Hope that once the City hits buildout of the GMA there is a way to reduce the size and workload of the department
- Questions:
  - Why are we charging a Stormwater and Erosion Control Fee on top of what the State deems as necessary? **Fort Collins has an MS4 (Municipal Separate Storm Sewer System) permit that allows our stormwater to flow straight to the river as opposed to needing to go through our municipal sewer system. To maintain this permit, we are mandated to do these types of inspections.**

- For the Timbervine development, were water inspection fees charged? – **No. Confirmed via the Engineering Cost Estimate that is part of the DCP.**
- Fees as 10-14% of new home Sales price – more information please

#### **Planning & Zoning Board – 10/11/2019**

- Feedback: none specifically (or that wasn't captured earlier)
- Questions: none outstanding from the meeting

#### **Affordable Housing Board – 10/15/2019**

- Feedback:
  - Concern for affordable housing, thought they feel like they have been heard.
  - Pleased to hear what goes into each review and what is happening on the City side to ensure quality.
  - Concern over cost for Extra Occupancy Rental (similar to discussion at Board of Realtors)
    - This process is too substantial
    - Could it be handled differently? Code Change?
  - Want to avoid negative consequences concerning affordability
  - Utilities fees, there is a level of service that affordable housing is not getting. We are very far away from meeting anything affordable housing in this City. This is part of CEF's conversation. There is sticker shock across the board.
  - This is a good direction, but we want to know exactly how long it took an employee to do the work. This will come up potentially the next go around. Time tracking should be done.
  - Better predictability
  - Any thoughts on how staff may track their time?
  - Like the change from value to square foot
- Questions: none outstanding from the meeting

#### **Water Board – 10/17/2019**

- Feedback:
  - Good from bigger picture standpoint – financial sustainability
  - People may be driven to build multi-family because the pricing can be kept lower
  - Make sure we have good data validation points for assumptions on time to do processes
- Questions:
  - Erosion Control and Stormwater Infrastructure – if the project finishes early, is there a refund? If the project goes over, do we charge more?

#### **Building Review Board – 10/31/2019**

- Feedback: none specifically that had not been addressed/discussed prior

- Questions: none outstanding from the meeting

#### **Downtown Development Authority – 11/14/2019**

- Feedback: Big accomplishment to get all these fees updated
- Questions:
  - What is the process moving forward to get the new fees and everything out there for everyone to see what is coming? **Mailings, email blasts, front counter.** ..

#### **Economic Advisory Committee – 11/20/2019**

- Feedback: none specifically; committee will send a recommendation to approve to City Council
- Questions: none outstanding from the meeting

**All unedited notes taken by CDNS Administrative Manager during outreach (note that full notes from many of the meetings are publicly available online and only the items relevant to the staff working on this topic were captured by Shar during the presentations):**

#### **Fort Collins Board of Realtors – 10/8/2019**

Attendance:  
.Tom Leeson.  
.Noelle Currelle.  
.Shar Manno.  
.Suzan Koran.  
.Adam Egelston.  
.Travis.  
.Nick Vorrath.  
.Barbara Kelzer.  
.Dustin Jansen.  
.Cassie Sutton.  
.Romia Prichart.  
.Mary Ann.  
.Colby Sterling.  
.Jeffery Markham?  
.Sean Daugherty.  
.Beth.  
.  
.Time given 40-45 minutes.  
.

.Paper copy of slides given to each attendee..

.Tom and Noelle gave a brief verbal/visual presentation..

.Questions/Comments/Concerns..

.How high are the Erosion and Stormwater fees? Stormwater \$75k to \$100K per year – This covers the total cost to complete all required inspections..

.How does this impact the price of a home? Noelle went through comparison slides. Less than 1% change. Seems like a huge increase? Yes, but not everyone involved was included and costs not recovered previous. Building permit fee income has been subsidizing Development Review..

.Do you actually have it broken out per unit so that we can see square footage per home? This will affect lower income and obtainable housing. Council stated previous that they want development review to pay for itself, this does effect single-family costs. Need to have talking points for Council, we cannot rely on Council to get it..

.Affordable housing – What is covered by the waivers. There are opportunities for waivers throughout the process..

.Extra occupancy fee – Takes away affordability, please explain. Goes to public hearing, it is the staff time involved in the entire process of approval. Would we have to go to Council to request that no hearing is requested? We would have to change the land use code and go before Council to change. Seems as though it will hamper the affordability of rental rooms. Tom showed list of application types and explained what the process is to complete the application type. Feels it is an absorbent amount of time for the low number of this type of review and on the affordable side, people may not want to jump through the hoops, or they will charge more for the unit/bedroom. Could the City front load with literature? This is a sensitive subject. ..

.Capital Expansion fees – erosion and stormwater, is the money going to one bucket, are we double dipping. No, this is paying for the engineers and inspectors directly related to development review. Noelle explained where/what the expansion fees go toward..

.Explain where the \$900k transportation fees are going to go to. Boring is an example, Noelle explained contractual and the up and down of the fees. Wherever the deficit was, sales tax and other covered our expenses..

.Fee creep that is happening only has a small % increase. We should make sure the smaller homes are not impacted as much..

.OTC's are more streamlined..

.Streamlining and automizing will make it better..

.Suggest to Council - can they address not having flat line fees that will harm obtainable housing. They will be emailing Council that they want something like this. ..

**Northern Colorado Homebuilders Association – 10/9/2019****Attendees:**

Tom Leeson  
Noelle Curell  
Shar Manno  
Doug Buler  
Jerry Rutha  
James Miller  
Steve Smith  
Nick Richardson  
Newton Whayler  
Doug Braden  
Dana Spainger  
Julie Ann  
1 other

**Time given:** 60 minutes

Doug Braden explained reason for the City's visit. Tom and Noelle gave a brief verbal/visual presentation. Paper copy of slide presentation given to each attendee.

**Questions/comments/concerns**

Is this review and methodology to keep prices down? Yes

What are the efficiencies? A tremendous amount of time and effort has gone into Lean processes. The time savings will be included in fee updates.

What are permit trends and what is the projection? Based on development activity, recent years have seen increase. How is the fee sustainable as we reach build out and permit numbers decrease? Based on how long it takes for each person involved. If numbers go down the fees go down.

Clarification on erosion and stormwater – based on size of site and duration of project? Based on projected for each of these.

Looking at this going from \$5.6 to \$7mil. Fees aren't going up much, where is that coming from? Development Review fees themselves are going up a good percentage.

Does FoCo collect up front? Yes. Could FoCo collect at time of CO? At least those that do not need to be collected upfront.

Single-family homes – any increase is hard to swallow.

What factors did staff or the decision makers use to establish cost to City for that employee? Referenced slide – salary, benefits and anything associated with the individual. Fully burdened cost. Indirect costs included are admin., attorney time, software (including support staff) and manager's help. Each fee has a breakdown associated as all are not the same.

**Local Legislative Affairs Committee – 10/11/2019****Attendees**

Tom Leeson  
Noelle Currell  
Shar Manno  
Eric Lee  
Mike Brown  
Brandon G  
Michael Bello  
Angela Millewski  
Ralph Waldo  
Patrick McMeekin  
Kevin Jones  
Brian Mannlein  
Carrie Gillis  
Sam Solt  
Bob Carnnigan  
Jeff Jensen  
Matt Weaval  
Doug Braden  
Dan Ohenshire  
Dan Betts  
Vincent Shower

**Time given:**

60 minutes

Mike Brown explained reason for the City's visit. Tom and Noelle gave a brief verbal/visual presentation. Paper copy of slide presentation given to each attendee.

**Question/Comments/Concerns**

With fees being consolidated, is it the same dollar amount that the customer is paying?

Tom - Yes, unless fee should not happen.

Since 1987, with tech. changes, you should see a reduction in FTEs and time to process, did you find this to be the case?

Tom explained our lean process and reorg with changes still happening. Noelle explained the human involvement factor, inspections.

If you have a house that is going to sell for \$450K with a same house selling for \$900, are they going to be paying the same cost? Basically, will it drop down to where the \$450K sits? Yes.

Tom explained the time involved with producing a permit.

Is this a regressed tax? No, it is not a tax, it is a fee to recover our costs. Same size house is paying the same fee.

\*\*\* (Tom) Stormwater inspection private permit inspection, would this be a layering of inspections? Do we also inspect it? Yes, this is an additional fee, layered. (Pat McMeekin) This is a State mandated step, the City has its own process. Could the City say it is handled by the State? Tom will look into this.

\*\*\* (Noelle) Timbervine - Was this on the development portion or on the vertical building? The increase comes on the development side, not the permit side, correct? Yes. You would not charge the fee if the City did not do the inspections, correct? This is correct. Everything. \*\*\* Boxelder did the sewer and water – Noelle to check what City did and if fees were charged correctly.

Industrial slide- What does the level of the finish have to do with it? Noelle gave an example – by adding a sprinkler system, AC, etc. This will add to the cost, due to number of inspections. How does this work with methodology change? You apply the building category type.

What is the IT fund?

The City has a fund to cover the software used, annual maintenance fees and three dedicated resources. Why are we paying for aspects of Broadband? Broadband pays the City to inspect, the City is paying the City. This is not a cost to developers, correct? No (Mike Brown) If you present this elsewhere, you might want to pull this number out. Tom explained the chart on the City Revenue Impact slide for better clarity. The \$2M increase does not include boring? A portion is included. (Kevin Jones) There might be a better way to present this information, just so people know there is a separation from Broadband boring. Makes sure Utilities is not in the rate base, we are not double dipping between the two. Noelle explained the moving parts and that the rates are peeled out.

Doug Braden spoke to the Fee Committee involvement and the fee stack for obtainable housing. The standardization of time frame for fees, more regular basis is good. Pat agrees these fee changes are insignificant in their process. The TCF's are much more significant.

\*\*\* Because of the focus of obtainable housing, it would be interesting to see the historical cost per unit increase. What is happening in other communities. How do we retain individuals in our community as opposed to them moving someplace cheaper. Tom – This would be an intense analysis. We could look at the trend line from a fee standpoint. Noelle – There are a challenges. Communities around us have metro districts. It's been awhile, Darren was here. the fees and permits costs have stayed at 10%, we are staying even, but cost to build has doubled. Is this still true. This is more relevant to TCF's. Comparison should not be from local communities, but rather places like Austin. (Kevin Jones) The number is not 10% but rather 14%, did I hear this correctly? Noelle - there was a Council work session where in Jennifer P. presented. (Pat) We don't pay these on the permit side, you will not see these. Tom - Old fees vs new fees vs peer cities, we do have this fees stack. \*\*\* Kevin Jones would like more information on the increase to 14%.

Global concern is about the fee stack.

On low income housing – this is a value of our City. Is there a way to look at the numbers and we are willing to absorb from the gen fund. housing up to a certain amount, we would still

absorb. .09% is nothing we should be willing to cover and hold the price down per unit. Tom – two points – We could look at the waivers to see if they are adequate or perhaps not applying uniformly, we should stratify. \_

Check with Beckstead, why do we apply uniformly or not at all? What are the Nexis requirements? Tom – increasing the waivers might a better way to go.\_

Do you look at fixed and variable costing, what is fixed and what is variable? Noelle – if all development were to stop, it would be \$6-7M. Fixed cost is not that much. There are semi-variable costs. \_

We hope you find a way as we hit build out to reduce the size of the department.\_

**Planning & Zoning Board – 10/11/2019**

**Attendees:**

- Tome Leeson
- Noelle Curell
- Shar Manno
- Bill Whitley
- Michelle Haefele
- Michael Hobbs
- Jeff Hansen
- Rebecca Everette
- David Katz
- Par Hogestad
- Brad Yatabe
- 2 citizens
- Kia Kleer
- Dave Betley
- Kacee Scheidenhelm
- Meghan Overton
- Ryan Mounce
- Kelly
- Noah Beals
- +5

**Time given:**

60 minutes

Tom and Noelle gave a brief verbal/visual presentation. Paper copy of slide presentation given to each attendee.\_

**Question/Comments/Concerns**

It was pointed out that the math was wrong on slide 4. \_

On sq. ft., how does it work with smaller projects? The same.\_

.Will monthly stormwater bills go down? \_

.Who paid for the short coming in 2018? \_

.Does the whole fee stack include street assessment? No, this is an impact fee\_

.IT individuals - They are not doing review, they are just managing software? Correct\_

### **Affordable Housing Board – 10/15/2019**

Attendees:

Sue Beck-Ferkiss  
Jeff Johnson  
Catherine Costlow  
Diane Chon  
Jennifer Bray  
Rachel Auldridge  
Jennifer Baker  
Kristin Fritz  
Tom Leeson  
Noelle Currell  
Shar Manno

**Time given:**

40 minutes

Tom and Noelle gave a brief verbal/visual presentation. Paper copy of slide presentation given to each attendee.

#### **Question/Comments/Concerns**

The fees are specifically only to cover costs, no revenue, correct?

Before you knew how the fees were figured, how did we know they were correct and that we were recovering the correct amount?

What is included in infrastructure development inspections?

Public infrastructure escrow, affordable housing is exempt from this fee.

What is the sq. ft. fee based off of what? Building type. What is the definition of sq. ft., is it outer wall, center of wall, inner wall? We will base it on the exterior of the wall.

Are dust issues covered within erosion control and stormwater inspections?

Fees did not actually go down, correct, it only looks as though they have because you are just removing/taking away some items?

What will you do with the \$2M? So, this money will be free to go back to the general fund?

Were examples used common building types?

Do these tables take into account the changes to CEF's? Chatter in the community is that these will be going way up. This is a direct impact to affordable housing.

What you are telling us is encouraging, this will make a difference.

How much of the Utilities, percentage, makes up?

What is the IT fund?

So roughly \$4m will go into the general fund?

The approval process does not have to go through Council? This is not true of CEF's?

Will they decide on Monday (Council Finance) to whether or not the City Manager can administratively approve?

Acknowledgement of concern toward affordable housing, we feel like we have been heard. Fee might need to be adjusted. This is not as big of an impact to developers. End users, we do not want to have people not doing inspections, how will this be kept affordable? Pleased with knowing what goes into each review.

The plan is to implement and the review in one year to make sure everything is matching up.

Extra occupancy became a heated conversation. People will take the chance and not get a permit.

There is predictability. The calculator will be very useful.

Is there any thought to changing how the City staff tracks their time? This will be the next logical questions to be asked. Engineers and lawyers to this. This could be a 6-month pilot.

Generally speaking the Board would like for us to take away:

- Extra occupancy, feels that it is too substantial of a process. Can it come before this Board for feedback? No idea why this has been mixed in with all the others, could it be handled differently. The process needs to be looked, U Plus 2, etc.
- We want to avoid negative consequences concerning affordability.
- Utilities fees, there is a level of service that affordable housing is not getting. We are very far away from meeting anything affordable housing in this City. This is part of CEF's conversation. There is sticker shock across the board.
- This is a good direction, but we want to know exactly how long it took an employee to do the work. This will come up potentially the next go around. Time tracking should be done.

The Board likes the change from value to sf

### **Water Board – 10/17/2019**

Attendees

Noelle Currell

Shar Manno

7 board members

Katherine Martinez

**Time given:**

30 minutes

Noelle gave a brief verbal/visual presentation. Paper copy of slide presentation given to attendees.

**Question/Comments/Concerns**

Is it an exact sq. ft. percentage, or is there a cut off? It is based on building type.

The State has stormwater limits, are we crossing over? MS4 permit, the State deals with another.

How many projects enter the review stage that do not go to permit? Do you think the number of projects will go down because of a fee increase?

Have we gotten feedback from the development community? Yes. We understand and this is a small part.

Are there any parts of this that developers may feel we could do better? Efficiency and code changes is what would change the fee, not anything a developer could do. If it doesn't rain, do they have to do an inspection, if a project is delayed. Will we refund if ahead of time or charge more if delayed?

Utilities only collecting 50% of cost before, the new fee structure seems good for Utilities moving forward.

Everyone goes through the data collection, over time things change, seems like we have backed off, figure out how we are going to keep up to date. Let it lead to greater transparency. WE will have a sanity check in two years.

People may be driven to multi-family because the pricing can be kept lower.

There could be a rub with developers because of the square footage base fee. It depends on the type.

From a bigger picture standpoint this is excellent. Financial sustainability.

### **Building Review Board – 10/31/2019**

**Attendees**

Tom Leeson

Noelle Currell

Brad Yatabe

Russ Hovland

Gretchen Schaiger

Allan Cram

Richards

Eric Marzone

Katherine

1 Board member not present

1 Board member late

Shar Manno

**Time given**

Until complete

**Questions/Comments/Concerns**

Tom and Noelle gave a brief verbal visual presentation.

Comment about sq. ft. vs valuation – high end home vs not, how will this even out? Tom –it takes the same amount of time to inspect.

Village on Redwood, fee waiver – The rest of the development community picks up the difference? Noelle – This comes out of CIP funds before general fund is hit.

5.6 to 7.6 is roughly 35%, it seemed like the examples were in the 10-15%, where does this really fall? Noelle – it is getting spread across the board, also not everything happens within the same year.

Utilities has only been covering 50% of costs? Noelle, they have not updated for a very long time and moving to 100% cost recovery.

Will rate payers see any benefit? Noelle, all else being equal, this would make it so your rates do not go up as much.

What is covered by Utilities? Noelle, water, wastewater and storm water.

Does Utilities back their costs? Noelle, yes, they have dedicated revenue sources.

**Downtown Development Authority – 11/14/2019**

Entire group present with the exception of one

**Time given**

20 minutes

Tom and Noelle gave a brief verbal visual presentation.

-  
**Questions/Comments/Concerns**  
 -

- With sq. Ft., does that account for different types of construction? Tom - Based on building type...  
 -

- What cost recovery method is typical of other communities?\_  
 -

- One of the things liked is the viewing of the models to show the full stack. What's going up, what's going down and how it will effect...  
 -

- Experience with Tom and Noelle – approached, anything is on the table, no stone left unturned. It was very thorough. \_  
 -

- What is the process moving forward to get the new fees and everything out there? Mailings, email blasts, front counter. \_  
 -

- Will the fee calculator be updated?\_  
 -

- Is there a clear path online for developers to see? Like, these are not all the fees, go check out what's next. \_  
 -

- Huge accomplishment to update all of the fees. developers get ¾ of answer and then get surprises. He commends us for address the issues and a reasonable way of looking at it. Good job...  
 -

**Economic Advisory Committee – 11/20/2019**

**Time given**

20 – 30 minutes\_  
 -

- Tom and Noelle gave a brief verbal visual presentation...  
 -

**Questions/Comments/Concerns**  
 -

- There is a fee schedule for all the builders? Tom explained yes, but confusing and that there will be a fee calculator\_  
 -

- For clarity – starting in 2021 there will be a review every 4 years?\_  
 -

- Can the City not make a profit? This is the difference between a fee and a tax. The City cannot collect more than it costs, or rather we cannot make a profit...  
 -

- Fees are charged on the front end, not on the back end. If there are issues, like more inspections, will this then change the cost?\_  
 -

- If the fee structure is cost recovery, then we will break even next year, however, won't we not fall behind at the end of the third year because costs will go up...  
 -

Costs will rise with inflation. Have you explored funding source where we could pool money to help with computer system costs, etc.? BFO takes care of this. Tax payers end up paying for the costs as opposed to development if it comes from budget?

Stormwater fees going forward, are there any other fees that were not approved, etc. We extensively analyzed fees for this update and now on a 4 year schedule.

Do we have comparisons against other cities? WE do and show roughly currently in the middle.

Time scale to when the fee is incurred. Dev. Application etc. Are there instances when a fee is paid and the project does not happen, you get to keep the fee.? Yes, the project moves through process and the time is spent by staff. Some fees are collected later, after the work has been completed, this happens as well. what is the balance of projects? Roughly 90% do proceed to development.

Committee experienced shared by Brauilo. Very positive. Others were impressed with the work completed and presented. The committee gives a thumbs up and would recommend that Council approve.

A motion was made to recommend to City Council approval of this fee and methodology change. The motion was passed.