

DEVELOPMENT ADVISORY FORUM - SPECIAL SESSION

Building Safety – Fee Simplification Proposal

Meeting Minutes

June 29, 2005 - 7:30 AM

Item No.	Discussion Item
06.29.05.I	Welcome and Introductions <ul style="list-style-type: none">Terry welcomed the group and thanked them for their continued attendance and support.
06.29.05.II	Building Safety Division – Fee Simplification Proposal <ul style="list-style-type: none">The Division is attempting to simplify its fee schedule.The fee structure has historically been too complicated.The timeline is at least six more weeks for submission to the City of Mesa, General Development Committee (GDC).Two handouts were provided – “A Simplified Permit Fee Proposal” and a Fee Comparison with a Revised Schedule of Fees and Charges.The first handout (Simplified Permit Fee Proposal) states the purpose, to ensure development pays for itself, and it further outlines rationales for the proposed changes, including methodology, calculation, rate schedules, and a delineation of each fee and its relative information.The proposal is not intended to be a “fee increase”, but some minor fluctuations may occur on specific projects due the overall simplification. <u>Comments/Questions</u> <ul style="list-style-type: none">What about Plan Review fees upfront? This has been renamed to an application deposit. It is still 65% of the permit fee, and this is common throughout the valley. It will be a non-refundable deposit.What is the timeline on the deposit? The code currently allows for 6-months as long as the project is viable, and some progress is being made. A project can probably be extended until the next code cycle, which is normally every three years.Is the 65% (deposit) tied to Building Safety Division (BSD) expenses? Yes, the 65% is cost recovery. It equates to the internal costs accomplish to date – plan review, and/or permitting.Do applications expire automatically at six months? Yes, if no work (submission, inspection, etc.) is accomplished on a project, the application expires after six months.Speculative projects have a tendency to “tie up” the development system, delaying “real” projects.Once a master plan has been reviewed and approved, why does each individual permit require another full plan review fee? The Division will review this issue and report back. The idea of this fee simplification may capture this issue.Proposed adjustments (decrease from 100% to 50%) to phased fees may promote an increase in use; why does the industry see the existing fee as a “deterrent”? These types of fees should not deter use; the Development Divisions should promote teamwork, not be adversarial. Time remains money; the ability to pour (foundations) early and/or getting started is critical. The industry is looking to us to be a partner, to continue being business friendly.Proposed expedited fee adjustments (decrease), were discussed in detail. Customers use this program, especially when timelines become critical. BSD has many resources to facilitate these services, including overtime and outsourcing. BSD is proposing the expedited fee be reduced from 100% to 50% of the plan review fee; this would reduce the current annual revenue by \$800,000. To compensate for this shortfall, BSD is proposing to spread the \$800,000 over the other revenue streams – to the entire industry.

- Any changes to the phased/expedited fees should be absorbed by those customers utilizing those services, not the entire industry.
- How does Mesa compare to other valley cities (phased/expedited)?
For these services, Mesa falls within the top third (valleywide). BSD will provide a fee table comparison at our next meeting.
- One continued frustration has been disjointed plan reviews, whereby items not caught during 1st and 2nd reviews are noted and required in 2nd and 3rd reviews. This delays the project further and frustrates the applicants. PPRT has helped this problem.
- Planning side of the process is highly delayed. Design review (DR) is four months; developers feel this is going the wrong way. DR and Planning and Zoning are “wresting”, it takes one year to get a plat going.
- It appears that layer upon layer has been added to the process, some no longer necessary. Shared information could alleviate some of the layers.
- Has there been any further discussion on “permit by inspection” and “permit by appointment”?
BSD has not added this to the proposal, but further discussion may warrant inclusion.
- Which International Code Council (ICC) tables does BSD utilize?
The ICC publishes the construction table twice/year; the Divisions will use the most current publicized table.
- Does the refund program refund expedited fees as well?
If an expedited turnaround time (TAT) is missed, the expedited fee is refunded. The refund program also returns credits if the normal TAT is missed.
- Will the simplification proposal affect the Annual Facilities Program (AFP)?
No. There are not pending changes to the AFP program.
- There are some proposed changes to shell buildings. These aim to dispel the current communication problems that arise from shell buildings and tenant improvements, especially when the two do not coincide.

General Information

- Next month at the Forum, we will discuss BSD’s budget and more specifically the Division’s restricted revenue fund.
- The Municipal Building renovation is moving forward; the building will be ADA-compliant and sprinklered, something we expected from our customers, but did not enforce within.
- Two-way communication from the development community should be conveyed through email.
- Comments, input, and constructive criticism will be considered and used; the previous fear of retribution or retaliation should not be a deterrent from voicing your opinion.
- The Division is now utilizing an online payment system; developers are encouraged to use this system while we pilot it.
- The e-plan review pilot continues with varying plan review disciplines using this program; the Division hopes to receive its first four-discipline project this week, which should provide a complete test of this program.