

DEVELOPMENT ADVISORY FORUM - SPECIAL SESSION
Building Safety & Planning Divisions' – Fee Proposals
Meeting Minutes
May 18, 2005 - 7:30 AM

<u>Item No.</u>	<u>Discussion Item</u>
05.18.05.I	<p>Welcome and Introductions</p> <ul style="list-style-type: none"> Terry welcomed the group and made two brief announcements: the Building Safety Division is looking volunteers to pilot the e-pay program, which will be rolled out shortly; and the Municipal Building renovation will go before City Council on 6/6/05 for final approval.
05.18.05.II	<p>Planning Division – Fee Proposal</p> <ul style="list-style-type: none"> John Wesley, Planning Division Director, explained the steps the Planning Division's fee proposal has taken thus far and the next steps in the process: the proposal received Finance Committee approval, the Division is now seeking development community input, the proposal will then go to the Planning & Zoning Board, and is slotted for a 7/5/05 City Council introduction. When the City decided to move to an Activity-Based Budgeting (ABB) system it enabled all of the Departments and Divisions to get a more accurate linkage between service and cost. The overriding premise of the proposal is to move the Planning Division closer to full cost recovery for the services provided. The Division's current cost recovery is approximately 30%. For complete cost recovery, the Division would have to raise fees 200-300%, since this is unrealistic; a 20% proposal is recommended to take a step in the right direction. The spreadsheet (handout) provided detailed the proposed fees and gave a comparison of other valley cities. Exceptions to the fee increase are the two new fees: general plan amendments and annexations. <p><u>Comments/Questions</u></p> <ul style="list-style-type: none"> If the Planning Division could shave two months off their processes, the time value of money would promote full cost recovery and the development community would be supportive. It appears there is still processes that do not make sense and that potentially work better in other cities. What is the disparity between Gilbert and Mesa as valued by full cost recovery – i.e., Mesa's general plan amendment fee proposed at \$13,000 whereas Gilbert is \$4,600? <ul style="list-style-type: none"> The Planning Division is unfamiliar with Gilbert's processes. Potentially, the disparity could be based on complexity of amendment and the Cities' size difference. If the Planning Division could eliminate some of the process redundancies, time could be saved. For example, the presubmittal process and subdivision technical review seem redundant. These two processes could be combined, streamlined, and resources reallocated to save time and energy. In addition, this improvement promotes the developer saving time as well. Any comments and/or input should be forwarded to the Planning Division (John Wesley) no later than 6/15/05. If approved in July, the fee proposal implementation would take place 30-days later. When evaluating cost recovery, the City (and Planning) should look at what (service-wise) and how (process-wise). An evaluation of the processes to ensure they are necessary, efficient, and valuable should be the first step. An efficiency evaluation should take place now whilst the Division is assessing services and costs. <ul style="list-style-type: none"> The Planning Division has initiated process improvements, including establishing process improvement teams, however they require extensive commitments, which conflict with the existing workload. The Division's workload remains consistent from last year to this year.

05.18.05.III Building Safety Division – Fee Simplification Proposal

- Terry Williams, Building Safety Director, elaborated on the proposal, which moves the Division from collecting fees to ensuring complete cost recovery for providing development-related services.
- The Division is proposing to change the calculation methodology, issue one permit versus four (in the past), and base the calculation on three simple elements – building area, construction cost/square foot (current ICC Table), and the City of Mesa rate schedule.
- The fee simplification is intended to facilitate ease of use and is not a fee increase.
- Efficiencies will be gained through this simplification including: additions will be assessed the same rate, stand-alone permits will be valuation-based, and any permit less than \$25,000 will be assessed based on the number of inspections.
- The upfront plan review fees will be renamed more aptly a “deposit”, which will be nonrefundable; in addition, sign permits will now require a deposit to eliminate speculative permits that go un-issued.
- The expedited fees are proposed to decrease by 50%, which will affect the Division’s bottom line by an estimated \$500,000. In order to ensure the bottom line is unaffected, the remaining fees will be adjusted by 5% (up).
- The simplification also links the fees to construction costs via adjustments in the ICC table.
- Any suggestions or input should be forwarded to Terry or the three Deputy Directors over the next two weeks.
- The Division will be developing the City of Mesa, Building Safety Division rate schedule.

Comments/Questions

- Why the change in reinspection fees?
 - Reinspection fees are intended to identify and rebuke repeat offenders. Contractors, developers, or customers that display repetitive, documented abuses of the inspection system.