



CITY COUNCIL AGENDA ITEM

To: Mayor Graham and City Council
From: Ted Shekell, Planning Director
Walter Denton, City Administrator
Date: December 7, 2009
Subject: **Resolution Approving Planning & Zoning Department Fee Increases**

List of committees that have reviewed: The Community Development Committee voted 4-0 at its November 23, 2009 meeting to recommend approval of the proposed fee increases.

Summary: At the City Council Planning Session on Monday, November 9, 2009, staff presented information to support increasing several Planning & Zoning Department fees, including several zoning-related application fees, Fire Sprinkler, Fire Alarm and Cooking Hood Suppression Permits and Fees, Building Plan Review fees, and Building Permit fees. Mayor Graham and the City Council were generally supportive of increasing the fees and directed staff to develop a specific proposal to do so.

Planning and Zoning Application Fees

Staff researched the following surrounding communities' fees to determine how O'Fallon compares to our neighbors, which staff would argue are also our competitors for development:

- Shiloh
- Mascoutah
- Fairview Heights
- Swansea
- Collinsville
- Edwardsville

Many of our application fees have not been increased since the early 1980's. As a result, O'Fallon is actually the least expensive community to apply for approval of the following application types (where a fee is assessed):

- Zoning amendment
- Special Use
- Variance
- Preliminary Plat
- Final Plat
- Minor Subdivision
- Planned Use

Please see the attached information outlining each community's fee schedule, as well as information we compiled on soft costs (staff time) and hard costs (postage, newspaper notification, meeting transcription, and hearing officer bills) for each application type.

We believe that it is important to be conservative in our fee increases to remain competitive and avoid the reputation of being the most expensive community in the area. Staff recommends the following fee increases:

1. Zoning Amendment
 - a. Existing: \$100
 - b. Proposed: \$200
2. Special Use
 - a. Existing: \$75
 - b. Proposed: \$200
3. Variance
 - a. Existing: \$75 to \$100
 - b. Proposed: \$225
4. Preliminary Plat
 - a. Existing: \$35 + \$5 per lot
 - b. Proposed: \$150 + \$10 per lot
5. Final Plat
 - a. Existing: \$50 + \$1 per lot (assess per lot fee if change from prelim plat)
 - b. Proposed: \$100 + \$5 per lot (assess per lot fee if change from prelim plat)
6. Minor Subdivision
 - a. Existing: \$50 + \$1 per lot
 - b. Proposed: \$100 + \$5 per lot
7. Planned Use
 - a. Existing: \$100
 - b. Proposed:
 - i. Change of Use: \$250
 - ii. New/Expanded Construction: \$500

The above proposed fees would bring O'Fallon more in line with surrounding communities, but we would still not be the most expensive community for any of the proposed fees. It should be noted that our Variance fee needs to increase significantly to cover the cost of contracting with a zoning hearing officer to preside over the hearing and rule on the petitions. Staff believes that a higher fee would also help to persuade potential applicants to consider alternative means of achieving their goals rather than applying for relief from City ordinances. Regarding the proposed two-tier fee schedule for Planned Uses, staff believes that there are two general types of Planned Uses – those that are really just a change of use (a restaurant occupying an existing building) and those that require new construction or expansions (a new restaurant building). More staff review time is required for Planned Uses that involve new construction or building expansions because they require extensive review of civil plans.

Fire Sprinkler, Fire Alarm and Cooking Hood Suppression Permits and Fees

On all new or modified fire sprinkler and fire alarm work, our department or B & F Technical Service performs all plan reviews. Our staff performs all inspections and testing. While some building plan reviews include sprinklers and alarms, they usually come after the initial review for the building and after the building permit is issued. We have had numerous problems in the past with sprinkler or alarm companies beginning work prior to having completed plan reviews and obtaining approvals. We have developed a separate permit for each of these and would

like to attach a permit fee of \$75 for each. This permit would have to be obtained by the actual sprinkler or alarm company prior to beginning any work.

Building Plan Review Fees

We currently have all new commercial building construction and renovations over 4,000 sq. ft. reviewed by B & F Technical Services with the applicant paying those fees. Buildings less than 4,000 sq. ft. are reviewed by our staff, but at no charge for that service. We propose charging the same fee, or just below, as B & F Technical Services on those buildings smaller than 4,000 sq. ft. We would project a minimum of 5 building plan reviews per year at approximately \$1,500 per review for a total of \$7,500.

Building Permit Fees

The City Council, through Resolution No.2005-75, previously adopted the ICC Cost of Construction Method of calculating building permit fees for new construction. This method allows to revise and update such fees on an annual basis as the ICC Cost of Construction Tables adjusts and we will now resume those revisions and updates with the latest available data supplied by ICC.

Legal Considerations, if any: None.

Budget Impact: The proposed fee increases will generate additional revenue for the Planning & Zoning Department.

Staff Recommendation: Staff recommends approval of the above proposed fee increases, effective January 1, 2010.