AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

AgendaTitle:
Plan Review Fees

Action Requested: Discussion

Parties to the Agreement:

Term Begins: **Term Ends:** **Grant Contract #:**

Summary:
Review of current costs and revenues associated with the development and review process.

Fiscal Impact:

Submitted by: Crystal Lambert **Submitter's Email Address:** clambert@gunnisoncounty.org

Finance Review: (●) Required ( ) Not Required

Comments:

We have reviewed the accompanying memo and agree with the numbers presented.

Reviewed by: GUNCOUNTY1\lNienhueser Discharge Date: 12/4/2014

County Attorney Review: ( ) Required (●) Not Required

Comments:

Reviewed by: Discharge Date: Certificate of Insurance Required

Yes ( ) No ( )

County Manager Review:

Comments:

Reviewed by: GUNCOUNTY1\khaase Discharge Date: 12/5/2014

( ) Consent Agenda ( ) Regular Agenda (●) Worksession Time Allotted: 15 Minutes

Agenda Date: 12/9/2014 Follow Up Agenda Date:

Revised April 2013

Gunnison County Community Development Department
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December 2, 2014

TO: **Board of County Commissioners**
Matthew Birnie, County Manager
David Baumgarten, County Attorney
Russ Forrest, Community Development Director

FROM: **Crystal Lambert, Building Official**

SUBJECT: **Plan Review Fee**

A. PURPOSE:

The purpose of this item is to review current costs and revenues associated with the development and review process. Currently, the total cost projected for 2014 for the development and review process is $566,151 and the total projected revenue is $184,595. The net cost is $381,556. It should also be acknowledged that Community Development has reduced its cost over the last two years by approximately $100,000 through staff reorganization and other cost reductions. In reviewing costs and revenue compared to other jurisdictions, staff believes that we are charging significantly less than the actual cost as it relates to plan reviews for building permits. A specific proposal is provided below to address this issue. Staff would like the Board to consider these operational net costs as it is also reviewing proposals for impact fees that may affect the total cost of construction in Gunnison County.

B. CURRENT PLAN REVIEW FEES

Gunnison County Resolution No: 11-16 states that a plan review fee shall be paid to cover the cost of review by Gunnison County Community Development Department at a rate of $42.00 per hour, to verify the code compliance requirements of the building or structure proposed in the application.

Staff has concluded that tracking hourly time for an application understates the full cost of administering the development and review process and is not the common practice when compared to other jurisdictions.

Below is a survey of the plan review fees assessed by nearby jurisdictions and similar jurisdictions.

Jurisdiction	Plan Review Fees Assessed
City of Gunnison	30% of building permit fee for residential & 65% for commercial
Pitkin County	65% of building permit fee (residential & commercial)
Eagle County	65% of building permit fee (residential & commercial)
Routt County	65% of building permit fee (residential & commercial)
Park County	$50 plan check fee
Fremont County	65% of building permit fee (residential & commercial)
Chaffee County	$250.00 plan check fee
Montrose County	65% of building permit fee (residential & commercial)
Gunnison County	Currently $42 per hour

Changing the plan review fee that is assessed on building permit applications from an hourly rate, which has proven difficult to accurately track, to a percentage of the building permit fee may successfully cover the actual cost to process and review applications and provide the customer with a consistent and fair fee and is also more consistent with the other municipalities in Gunnison County and around the state.

Below is an example of current building permit fees and the workforce housing linkage fees, based upon a range of square footages, for a single-family residence. The plan check fee is calculated at 30 percent of the building permit fee.

Square Feet	BP Fee	Linkage Fee	Total	Plan Check Fee	Total
1,500	$1,498.68	$480.61	$1,979.29	$449.60	$2,428.89
2,200	$2,041.94	$1,185.53	$3,227.47	$612.58	$3,840.05
3,500	$3,055.32	$5,546.23	$8,601.55	$916.60	$9,518.15
5,000	$4,111.00	$10,987.23	$15,098.23	$1,233.30	$16,331.53

Below is an example of current building permit fees and the workforce housing linkage fees, based upon a range of commercial building types, all 2,000 square feet. The plan check fee is calculated at 65 percent of the building permit fee.

Type of Use (all 2,000SF)	BP Fee	Linkage Fee	Total	Plan Check Fee	Total
Restaurant	$2,170.52	$3,570	$5,740.52	$1,410.84	$7,151.36
Office	$2,042.56	$3,570	$5,612.56	$1,327.66	$6,940.22
Factory	$1,234.20	$3,570	$4,804.20	$802.23	$5,606.43
Storage	$1,126.40	$3,570	$4,696.40	$732.16	$5,428.56
Motel	$1,742.96	$3,570	$5,312.96	$1,132.92	$6,445.88

The two plan review fee examples above, 30% for residential and 65% for commercial, match the plan review fees assessed by the City of Gunnison.

As a point of comparison, a plan review for a 2,200 square foot home may cost an applicant $168 assuming four hours of estimated time at $42 an hour.

A plan review fee of 30% for residential projects and 65% for commercial projects would provide an estimated annual additional revenue increase of $45,000, based upon 2014 building permit data. A 65% plan review fee applied to both residential and commercial projects would provide an estimated annual additional revenue increase of $85,000. Simple projects such as decks, barns, sheds, etc. have been excluded from the example.