



Notice of Intent to Increase Fees

8/29/17

Community Development Administrative Fee Increases

Pursuant to A.R.S. §9-499.15 this release serves as a Notice of Intent to increase fees. A 7% increase is proposed on all planning, zoning, building, and administrative fees levied by the Community Development Department (as listed in Town Code §07-01-200 and §13-27-060).

Town Council may consider this fee increase on November 2, 2017 and November 16, 2017 at their regularly scheduled public hearings. If Town Council votes to increase these fees, it is recommended that they go into effect on January 1, 2018.

If you wish to comment or have questions regarding these fee increases, please contact the James Gardner, Planner at the Community Development Department at jgardner@pvaz.net or at 928-759-3058. Comments may be made at a Town Council public hearing on November 2, 2017.

Memo

To: Mayor, Town Council, Customers of the Community Development Department
From: James Gardner, Planner, for Richard Parker, Community Development Director
Date: August 28, 2017
Re: Report regarding Planning, Zoning, Building and Technology Fees

Purpose:

The main objective of this report is to recommend modifications to the fees charged by the Community Development Department for permitting and planning applications. Additionally, this report is intended to comply with procedures required pursuant to ARS §9-499.15. The recommended fees and administrative charges are proposed in order to assist with the acquisition and administration of permitting software for the Community Development Department.

Planning, Zoning and Development Fees

Background:

In December of 2004, the Town of Prescott Valley made adjustments to the Zoning user fees charged by the Town by adoption of Ordinance No. 607, revising certain zoning fees to more closely correspond to the costs of providing development services. Since that time, the Town's cost of doing business has increased, and Town fees have not been adjusted accordingly, partly because of steps taken to respond to the nationwide recession.

On June 15, 2017, Town Council was briefed by the Community Development Department regarding fees relating to residential and commercial development in the Town of Prescott Valley and its regional partners and comparably sized communities in Northern Arizona. At this Work Study, the Town Council directed staff to implement the fee changes discussed.

Discussion:

In order to determine how Prescott Valley's current fees compare to regional municipalities, data from neighboring and comparable jurisdictions was compiled by Town staff by researching municipal websites and conducting phone interviews. The comparable municipalities were chosen on the basis of location, common characteristics, and those that are considered regional partners. Analysis of the fee structures reveal that the processes and fees charged vary significantly. Because of this divergence in fees, a comparable analysis which demonstrates fee amounts for two potential development models and one straight fee table were compiled to better represent costs assessed to develop residential and commercial projects (See [Fee Memo](#))

Based on the comparable jurisdiction data that was collected, it is evident that the Town of

Prescott Valley development fees are comparatively low, especially for residential subdivisions. Additionally, commercial and residential fees were low compared to other municipalities.

Residential Building and Plan Check Fees

Background:

Residential building fees and plan check fees are imposed as part of applying for a building permit. These fees are imposed in every jurisdiction included in this comparison. These fees are adopted as part of the adoption of what are colloquially referred to as the “I-Codes” or International Building Codes. These include the International Building Code (IBC), International Residential Code (IRC), International Mechanical Code (IMC), the National Electric Code (NEC), the International Plumbing Code (IPC), the International Property Maintenance Code (IPMC), and the International Fuel Gas Code (IFGC). Section 07-01-200 of Town Code “Valuation and Fee Schedule” contains Table No. 1 “Valuation and Fee Schedule” which outlines the fees adopted as part of the adoption of the I-Codes. The increase of these fees is outlined in the attached Town Code amendments.

Discussion:

Most jurisdictions follow a similar formula for determining residential building fees. There are variations in the formulas used, but are typically based on the International Residential Code (IRC) fee schedule for valuations based upon building square footage, livable vs. unlivable, and electrical and water fixture counts. Some communities charge a plan check fee as a separate line item, and others include the plan check fee in the building permit price (Prescott Valley follows the latter practice).

As can be seen in the linked [Fee Memo](#), Prescott Valley’s building permit fees are the lowest of the comparable jurisdictions. The proposed 7% increase would result in the building permit fees becoming the second lowest, with only Payson being lower, and only by approximately \$50 (fifty dollars). The proposed fee increases will allow Prescott Valley to continue to remain competitive and attractive to residential developers.

Permitting Software

Background:

Prescott Valley, as part of the “Quad-City” area of central Yavapai County, strives to coordinate policies and strategies with neighboring communities to develop a well-planned, interconnected region which provides a good quality of life for its citizens. Recently, it has come to light that upgrades to the existing software system used by the Community Development Department would soon be needed in order to continue to provide the level of service that Prescott Valley delivers to the community. The Town of Prescott Valley purchased permitting software called *Permits Plus* in 1996, which was subsequently renamed *Accela Permits Plus*, Community Development Department intends to upgrade to the newest iteration of Accela software, *Automation*, which provides significant technological advancements. The update of the

software system is intended to coincide with the updates that Yavapai County has committed to, thereby allowing repeat customers to our jurisdictions a more cohesive and streamlined process.

Discussion:

Dialogue with regional partners has revealed an interest to coordinate development software and service upgrades using Accela *Automation* to better serve the area. Accela *Automation* leverages an open architecture and a centralized database, and allows event, transaction and contact activity to be shared across departments and municipalities. Technological improvements would provide streamlined and efficient systems associated with land management, licensing, asset management and public health and safety services resulting in improved communication between office, field workers, citizens, businesses and other key stakeholders. In order to recover the costs associated with upgrading and maintaining this system, a technology fee may be appropriate. Staff has researched technology fees in Arizona and across the nation resulting in the following findings:

- *Most jurisdictions charge the fee on both planning and building applications/permits.*
- *Some jurisdictions charge a percentage of application fees for technology.*
- *Some jurisdictions charge a flat fee ranging from \$1 - \$48 per application.*
- *Percentage fees range from 1% - 10%, most are 3% - 4%.*
- *Some jurisdictions cap the fee.*

Fee Summary

Discussion:

Fee tables, as presented at the June 15, 2017 study session (Exhibit 1) compare conceptual developments and fees associated with each development. In direct comparison with selected jurisdictions, the Town of Prescott Valley's fees for subdivisions are substantially more affordable. For example, when compared with the City of Prescott, the Town of Prescott Valley charges \$33,375.00 to process the Zoning Map Change, Preliminary Development Plan, and Final Development Plan for a 3600 unit/1200 acre development, whereas, the City of Prescott charges \$953,157.00, or approximately 2856% more. This substantial initial cost of development in the City of Prescott places major risks upon developers who intend to develop residential subdivisions, and even given the proposed 7% increase in fees, Prescott Valley's fees will be substantially more competitive.

Commercial PADs are more comparable between communities, with Prescott Valley and Prescott within \$400 of each other. Prescott Valley's planning fees for a conceptual 20 acre commercial PAD with a 100,000 square foot building are approximately \$2,975.00 as compared to Prescott's \$2,653.00. The proposed fee increase for commercial PADs will increase the deficit between Prescott Valley and Prescott's commercial building fees, but when

compared with overall cost of development, Prescott Valley remains highly competitive.

When comparing residential building fees, Prescott Valley is currently the most affordable for a conceptual 1500 square foot home with a 550 square foot 2-car garage. The Town of Prescott Valley's residential fees are \$1286.49, and the City of Prescott offered an approximation of \$1500 for the building permit fee, approximately 11% higher. Those jurisdictions surveyed all quoted a permit fee higher than either Prescott Valley or Prescott, as shown in the fee comparison table (Exhibit 1).

Conclusions:

The recommended 7% increase in administrative and building permit fees will allow Prescott Valley to remain competitive with comparable jurisdictions, and will provide necessary funds to support implementation of the permitting software in the Community Development Department. Community Development Department recommends implementation of this fee on January 1, 2018, in order to give the public adequate time to prepare.

Exhibits:

1. Conceptual Development Comparison Tables
2. Town Code §07-01-200 Amendments (Fee and Valuation Table)
3. Town Code §13-27-060 Amendments (Fees and Charges)

Schedule of Proposed Fee Increases (Table A: Planning, Zoning and Development Fees)

Fee Schedule for Planning, Zoning and Development				
Zoning Permits				
	Current		Proposed	
Signs	[see Town Code §13-23-1110(A)(4)(as amended)]			
Accessory Buildings	\$15		\$16.05	
Fences/walls (four (4) feet in height or greater)	In accordance with §07-01-030 of this Code		In accordance with §07-01-030 of this Code	
Temporary Housing Permits	Residential	Non-Res.	Residential	Non-Res.
	\$150	\$300	\$160.50	\$321
Board of Adjustment and Town Council Hearing Applications				
	Residential		Non-Residential/Commercial	
	Current	Proposed	Current	Proposed
Appeals/ Interpretations	\$50	\$53.50	\$50	\$53.50
Base Variance	\$200	\$214	\$200	\$214
Use Permit, New	\$250	\$267.50	\$250	\$267.50
Use Permit, Renewal (Before Expiration)	\$125	\$133.75	\$125	\$133.75
Use Permit, Renewal (After Expiration)	\$250	\$267.50	\$250	\$267.50
Use Permit, Telecommunications	\$400	\$428	\$400	\$428
Planning Applications				
	Residential		Non-Residential/Commercial	
	Current	Proposed	Current	Proposed
Development Agreements	\$0 (when done in conjunction with a General Plan Amendment, Annexation, or Zoning Map Change)			
Development Agreement Amendments	\$500 minor \$1000 major	\$535 minor \$1070 major	\$500 minor \$1000 major	\$535 minor \$1070 major
General Plan Amendments (Major)	\$500	\$535	\$500	\$535
General Plan Amendments (Minor)	\$300	\$321	\$300	\$321
Minor Land Division Review*	\$0 or \$200	\$0 or \$214	\$0 or \$200	\$0 or \$214

Subdivision Applications				
	Residential		Non-Residential/Commercial	
	Current	Proposed	Current	Proposed
Preliminary Plat	\$750 + \$10/lot	\$802.50 + 10.70/lot	\$750 + \$10/lot	\$802.50 + 10.70/lot
Final Plat	\$375 + \$5/lot	\$401.25 + \$5.35/lot	\$375 + \$5/lot	\$401.25 + \$5.35/lot
Preliminary Development Plan	\$750 + \$10/lot w/o ZMC	\$802.50 + 10.70/lot w/o ZMC	\$750 + \$35/acre w/o ZMC	\$802.50 + 10.70/acre w/o ZMC
Final Development Plan	\$375 + \$5/lot	\$401.25 + \$21.40/lot	\$375 + \$20/acre	\$401.25 + \$21.40/acre
Master Plan	\$750 + \$10/lot w/o ZMC (max. \$15,000)	\$802.50 + 10.70/lot w/o ZMC (max. \$15,000)	\$750 + \$10/acre w/o ZMC (max. \$15,000)	\$802.50 + 10.70/acre w/o ZMC (max. \$15,000)
Minor Plat or Development Plan Modifications	\$250	\$267.50	\$250	\$267.50
Major Plat or Development Plan Modifications	\$300 + 10/lot	\$321 + \$10.70/lot	\$300 + 10/acre	\$321 + \$10.70/acre
Zoning Map Changes				
	Residential		Non-Residential/Commercial	
	Current	Proposed	Current	Proposed
Tier I Rezoning (Non-PAD)	\$400 + 15/acre (max. \$15,000)	\$428 + 16.50/acre (max. \$15,000)	\$1250 + 15/acre (max. \$15,000)	\$1337.50 + 16.50/acre (max. \$15,000)
Tier II Rezoning (PAD including underlying rezoning)	\$500 + 15/acre (max. \$15,000)	\$535 + 16.05/acre (max. \$15,000)	\$1250 + 15/acre (max. \$15,000)	\$1337.50 + 15/acre (max. \$15,000)
Tier III Rezoning (Includes PAD, underlying rezoning, and PDP or Master Plan)	\$1500 + 35/acre (max. \$15,000)	\$1605+ 37.45/acre (max. \$15,000)	\$1500 + 35/acre (max. \$15,000)	\$1605+ 37.45/acre (max. \$15,000)

Zoning Clearance Fees (Site Plan Review)				
	Residential		Non-Residential/Commercial	
	Current	Proposed	Current	Proposed
Attached and Detached Accessory Structures	\$25	\$26.75	\$25	\$26.75
Churches, Clubs or other non-profits	\$100 (3000 sq. ft. or less) \$150 (3000 sq. ft. or more)	\$107 (3000 sq. ft. or less) \$160.50 (3000 sq. ft. or more)	\$100 (3000 sq. ft. or less) \$150 (3000 sq. ft. or more)	\$107 (3000 sq. ft. or less) \$160.50 (3000 sq. ft. or more)
Mobile and Manufactured Homes	\$15	\$16.05	N/A	N/A
Multiple family Residences	\$25 per unit (2-4 units)	\$26.75 per unit (2-4 units)	\$25 per unit (max. \$500) (5 or more units)	\$26.75 per unit (max. \$500) (5 or more units)
Remodels/Additions	\$15	\$16.05	\$100	\$107
Revised Plot Plans	\$15	\$16.05	\$25	\$26.75
Site Built or Modular Units	\$15	\$16.05	\$150 (3000 sq. ft. or less) \$250 (3000-5000 sq. ft.) \$500 (5000+ sq. ft.)	\$160.50 (3000 sq. ft. or less) \$267.50 (3000-5000 sq. ft.) \$535 (5000+ sq. ft.)
Professional Services				
Planning Technical Design Services			\$75/hr	\$80.25/hr
Clerical			\$25/hr	\$26.75/hr
Computer System Usage			\$35/hr	\$37.45/hr
Sale of Reports/Map/Data				
General Plan 2025 Book – COLOR PLAN			\$35/hr	\$37.45

Schedule of Proposed Fee Increases (Table B: Building Administrative Fees)

Fee Schedule for Building Administrative Fees					
Other Inspections and Fees					
		Residential		Commercial	
		Current	Proposed	Current	Proposed
Demolition		\$100	\$107	\$100 (≤ 2500 sq. ft.)	\$107
		\$50 (man. homes)	\$53.50	\$150 (2501+ sq. ft.)	\$160.50
Compliance Inspections (unless otherwise specified by other Code provision)		\$50	\$53.50	\$50	\$53.50
If no fee specified (includes courtesy, housing, and dangerous housing inspections)		\$50/hr	\$53.50/hr	\$50/hr	\$53.50/hr
If inspections outside normal business hours		\$50/hr	\$53.50/hr	\$50/hr	\$53.50/hr
Membrane Structures					
Air Supported Membrane Structures		Canopies		Tents	
Current	Proposed	Current	Proposed	Current	Proposed
\$50	\$53.50	\$25	\$26.75	\$75	\$80.25
Plan Review					
		Current		Proposed	
Use of outside consultant for plan review		Actual Town Cost			
Additional review required by changes, additions, or revisions to approved plans		\$50		\$53.50	
Swimming Pools					
		Current		Proposed	
Private Pools	(not including electrical, mechanical, plumbing)	\$100		\$107	
Public Pools		\$200		\$214	

Recorded Notice to Subsequent Buyers of Approved Exceptions or Code Non-Compliance			
Current		Proposed	
\$50		\$53.50	
Re-Inspection Fees per §07-01-180 of Administrative Code			
Current		Proposed	
\$50/hr* minimum 1 hour		\$53.50/hr* minimum 1 hour	
Signs [see Town Code §13-23-1110(A)(4)(as amended)]			
Spas or Whirlpools			
		Current	Proposed
Residential	(not including electrical, mechanical, plumbing)	\$50	\$53.50
Public		\$100	\$107
Spray Booths (including suppression system, structure, and utilities)*			
Current		Proposed	
\$50		\$53.50	
*or total hourly cost to Town (whichever is greater). Includes Supervision, overhead, equipment, hourly wages and fringe benefits of employees involved.			
Grading Plan Review Fees			
Amount of total grading	Current		Proposed
50 cubic yards or less	No fee		No fee
51-100 cubic yards	\$23.50		\$25.15
101-1000 cubic yards	\$37		\$39.60
1001-10,000 cubic yards	\$49.25		\$52.70
10,001-100,000 cubic yards	\$49.25 first 10,000 cubic yards +\$24.50 per each additional 10,000 cubic yards or fraction thereof		\$52.70 first 10,000 cubic yards +\$26.20 per each additional 10,000 cubic yards of fraction thereof
100,001-200,000 cubic yards	\$269.75 first 100,000 cubic yards + \$13.25 per each additional 10,000 cubic yards or fraction thereof		\$288.65 first 100,000 cubic yards + 14.15 per each additional 10,000 cubic yards or fraction thereof
200,001+ cubic yards	\$402.25 first 200,000 cubic yards + \$7.25 per each additional 10,000 cubic yards or fraction thereof		\$430.40 first 200,000 cubic yards + \$7.75 per each additional 10,000 cubic yards or fraction thereof
Use of outside consultants	Actual Town Cost		Actual Town Cost
Additional review required by changes, additions, or revisions to approved plans	\$50/hr* 1 hour minimum		\$53.50/hr* 1 hour minimum

Grading Plan Review Fees		
Amount of total grading	Current	Proposed
50 cubic yards or less	\$23.50	No fee
51-100 cubic yards	\$37	\$25.15
101-1000 cubic yards	\$37 first 100 cubic yards + \$17.50 per each additional 100 cubic yards or fraction thereof)	\$39.60 first 100 cubic yards + \$18.70 per each additional 100 cubic yards or fraction thereof)
1001-10,000 cubic yards	\$194.50 first 1000 yards + \$14.50 per each additional 1000 cubic yards or fraction thereof)	\$208.10 first 1000 yards + \$15.50 per each additional 1000 cubic yards or fraction thereof)
10,001-100,000 cubic yards	\$325 first 10,000 cubic yards +\$66 per each additional 10,000 cubic yards or fraction thereof	\$347.75 first 10,000 cubic yards +\$70.60 per each additional 10,000 cubic yards of fraction thereof
100,001-200,000 cubic yards	\$919 first 100,000 cubic yards + \$36.50 per each additional 10,000 cubic yards or fraction thereof	\$983.30 first 100,000 cubic yards + 39.05 per each additional 10,000 cubic yards or fraction thereof
Reinspection fees per 07-01-180(E)	\$50/hr*	\$53.50/hr*
[if no fee specified]	\$50/hr*	\$53.50/hr*
[if inspections outside normal business hours]	\$50/hr*	\$53.50/hr*
*minimum 1 hour; or actual Town cost for supervision, overhead, equipment, wages, and fringe benefits of employees involved (whichever is greater)		
Mechanical, Electrical, and Plumbing Fees		
	Current	Proposed
Mechanical	\$25 (or \$.02 per sq. ft., whichever is greater)	\$26.75 (or \$.02 per sq. ft., whichever is greater)
Electrical	\$30 (or \$.04 per sq. ft., whichever is greater)	\$32.10 (or \$.04 per sq. ft., whichever is greater)
Plumbing	\$50 (or \$.03 per sq. ft., whichever is greater)	\$53.50 (or \$.03 per sq. ft., whichever is greater)

Building Permit Fees**		
Total Valuation	Current	Proposed
\$1 to \$500	\$25*	\$26.75*
\$501 to \$2000	\$35*	\$37.45*
\$2001 to \$25,000	\$50* for the first \$2000 + \$9 for each additional \$1000 or fraction thereof, to and including \$25,000)	\$53.50* for the first \$2000 + \$9.65 for each additional \$1000 or fraction thereof, to and including \$25,000)
\$25,001 to \$50,000	\$252* for the first \$25,000 + \$6.50 per each additional \$1000 or fraction thereof, to and including \$50,000)	\$269.65* for the first \$25,000 + \$6.95 per each additional \$1000 or fraction thereof, to and including \$50,000)
\$50,001 to \$100,000	\$414.50* for the first \$50,000 + \$5.50 per each additional \$1000 or fraction thereof, to and including \$100,000)	\$443.50* for the first \$50,000 + \$5.90 per each additional \$1000 or fraction thereof, to and including \$100,000)
\$100,001 and above	\$689.50* for the first \$100,000 + \$1.50 per each additional \$1000 or fraction thereof)	\$737.75* for the first \$100,000 + \$1.60 per each additional \$1000 or fraction thereof)
*An additional fee may be added to each building permit as follows:		
<i>Mechanical:</i> \$26.75 (or \$.02 per sq. ft., whichever is greater)	<i>Electrical:</i> \$32.10 (or \$.04 per sq. ft., whichever is greater)	<i>Plumbing:</i> \$53.50 (or \$.03 per sq. ft., whichever is greater)
**Deposits may be required at the time of application as follows:		
Commercial/Industrial		
	Current	Proposed
New construction	\$300	\$321
Additions/remodels	\$100	\$107
Small tenant improvements	\$30	\$32.10
Residential		
	Current	Proposed
Manufactured Homes	\$60	\$64.20
New construction	\$100	\$107
Additions/Remodels		
Valuation	Current	Proposed
\$5000 or less	\$25	\$26.75
\$5001 to \$10,000	\$50	\$53.50
\$10,001 to \$15,000	\$60	\$64.20
\$15,001 to \$25,000	\$75	\$80.25
\$25,001 or more	\$100	\$107