

# Planning Commission Staff Report

April 16, 2015



<b>Case No:</b>	15MISC1001
<b>Request:</b>	Fee Schedule Changes
<b>Case Manager:</b>	Joe Reverman, AICP

## REQUEST

- Proposed Changes to Fee Schedule

## CASE SUMMARY/BACKGROUND/SITE CONTEXT

In 2012, at the request of the Mayor's Innovation Delivery Team (IDT), Zucker Systems (an organization management consultant specializing in planning departments) developed a series of recommendations to improve Louisville's rezoning process. Included in the report was a recommendation that Planning & Design Services (PDS) "support fee increases as necessary to cover costs." This prompted a review of planning fees, which have not been changed since the year 2000.

PDS and IDT took a three-pronged approach to analyze the planning fees.

1. Inflation analysis  
Planning fees have not changed since the year 2000. According to the Bureau of Labor Statistics, inflation has risen in the United States by 33% since 2000.
2. Cost recovery analysis  
Current fees cover approximately 15% of the budget for PDS. A study conducted by the Matrix Consulting Group found that cost recovery for planning departments generally ranges from 40-80%. A few planning departments even operate at full cost recovery.

PDS and IDT conducted a cost of service analysis for each type of application by determining the average amount of staff time used to process each application type and using the average hourly rate for those employees. This included staff time to intake applications, review plans, prepare staff reports, attend meetings, preparing meeting minutes, etc.

3. Peer city research  
PDS and IDT looked at fees for 6 other cities to compare fees and understand other practices. All cities have different regulations and processes, which cause fees to be very different. Therefore, the only fee comparisons that were studied in depth were zoning change fees. The cities reviewed were Nashville, TN; Indianapolis, IN; Columbus, OH; Raleigh, NC; Charlotte, NC; and Austin, TX.

The following fees were found to be at full cost recovery. Therefore these fees are proposed to remain the same.

<b>Subdivisions</b>	
Record Plat	\$400/page + \$5/lot
Revocation of record plat	\$160
Minor correction to record plat	\$400
<b>Plan Review</b>	
Tree preservation plan review	\$150
Landscape plan review	\$160 + \$5 per 1,000 sq ft of VUA
<b>Cell Towers</b>	
New tower	\$1,000 / \$2,500
<b>Miscellaneous</b>	
Zoning certification letter	\$50
Zoning confirmation	\$25
Clerk's fee	\$25.50
Extension of plan expiration date	\$240
Certification of complete case files	\$160 (base fee)
Floyds Fork Development Review Overlay (staff approvable)	\$80
Floyds Fork Development Review Overlay (Commission)	\$200 (+ \$1/notice)
Subdivision Name Change	\$160
Home Occupations	\$25

The following fees were found not to be at full cost recovery. These fees are proposed to be capped at or near the US inflation rate from 2000 to 2014, but will still not be at full cost recovery.

	<b>Current</b>	<b>Proposed</b>
Pre-Application	\$100	\$130
<b>Subdivisions</b>		
Preliminary subdivision plan	\$800	\$1,000
Revision to preliminary subdivision plan	\$160	\$215
Minor plat	\$125	\$200
Minor plat with associated waivers	\$200 (+ \$1/notice)	\$270 (+ \$1/notice)
Large-format minor plat	\$200 + recording fee	\$270 + recording fee
<b>Plan Review</b>		
District development plan (general, detailed, or revised)	\$270 (+ \$1/notice)	\$360 (+ \$1/notice)
Category 3 review	\$270 (+ \$1/notice)	\$360 (+ \$1/notice)
Sign review/signature entrance	\$80	\$110
Amendment or deletion of binding element	\$160	\$215
<b>Conditional Use Permits &amp; Appeals</b>		
Conditional use permit	\$750	\$1,000
Revision or modification of CUP or associated plan	\$160	\$215
Appeal or other request for BOZA administrative review	\$350	\$470

<b>Variations</b>		
Variations (single family use)	\$70	\$95
Variations (churches, parish halls, temples, schools and institutions of learning (except colleges, universities, trade, business or industrial schools), not-for-profit uses, and clubs, private non-profit)*	\$180	\$240
Variations (all other uses)*	\$450	\$600
<b>Streets</b>		
Street closure request	\$160	\$215
Street name change request	\$160	\$215
<b>Waivers</b>		
Land Development Code waiver	\$160 (+ \$1/notice)	\$215 (+ \$1/notice)
Staff approvable parking waiver	\$160	\$215
Parking waiver of less than 5 spaces	\$320	\$425
Parking waiver of 5 to 15 spaces	\$480	\$640
Parking waiver of more than 15 spaces	\$480 + \$20/add'l space	\$640 + \$20/add'l space

The rezoning fees are proposed to be restructured in a way that is more equitable to those using the services. The rezoning fees are currently based on the proposed zoning district and the size of the property. Analysis of the process determined that the size of the property, and not the zoning district was a more accurate way to determine the cost of service. Larger sites generally correlate to larger developments, which meet thresholds for additional reviews such as air quality assessments and traffic impact analyses. Additionally, separating fees based on zoning districts implies that some zoning districts are more acceptable than others. And there is no clear policy that states this preference.

Later in the process, it was discovered that single family residential subdivisions are developed and financed differently than multi-family and non-residential developments, and it made sense to have a different fee structure for single family developments. Therefore, requests for single family residential zoning districts are proposed to be treated separately.

<b>Current</b>	
<b>Residential (RR, RE, R1-R7, U-N, TNZD, PTD, PRD)</b>	
Area less than 2 acres	\$450
Area 2 acres to 4.9 acres	\$900
Area 5 acres or greater	\$1,800
<b>High-density residential/office (R8A, OR, OTF, CN, CR)</b>	
Area less than 2 acres	\$900
Area 2 acres to 4.9 acres	\$1,800
Area 5 acres or greater	\$3,600
<b>Commercial/industrial (C, W, M, CM, EZ1, PRO, PEC, PVD)</b>	
Area less than 2 acres	\$1,350
Area 2 acres to 4.9 acres	\$2,700
Area 5 acres or greater	\$5,400
<b>Form District &amp; Traditional Neighborhood Map Amendments</b>	
Area less than 2 acres	\$450
Area 2 acres to 4.9 acres	\$900
Area 5 acres or greater	\$1,800

<b>Proposed</b>	
<b>Zoning Amendment to R-R, R-E, R-1, R-2, R-3, R-4, R-5, U-N, R-5B or PRD</b>	
Less than 2 acres	\$600
2 to < 5 acres	\$1,200
5 acres or more	\$2,400
<b>Zoning Amendment to all other Zoning Districts, Form District Amendment, and Traditional Neighborhood Map Amendments</b>	
Less than 0.25 acre	\$600
0.25 to < 0.50 acre	\$1,000
0.50 to < 1 acre	\$1,500
1 to < 2 acres	\$2,100
2 to < 5 acres	\$3,000
5 to < 10 acres	\$4,000
10 acres or more	\$4,000 + \$100/additional acre (Max of \$7,000)

**Rezoning Peer city comparison – fees for hypothetical developments (rezoning + site plan review\*)**

	Louisville (current)	Louisville (proposed)	Nashville	Indianapolis	Jacksonville	Columbus	Charlotte	Richmond	St. Paul	Madison	Austin
4.1 acre commercial (retail center)	2,700	<b>3,000</b>	2,800	3,575	2,570	4,460	4,930	<b>3,300</b>	2,200	2,300	4,947
0.14 acre commercial (restaurant)	1,350	<b>600</b>	<b>2,800</b>	3,499	2,530	3,200	4,930	1,700	1,200	1,500	3,183
27 acre residential development	1,800	<b>5,700</b>	2,800	3,993	2,790	11,390	3,115	6,600	7,700	<b>5,300</b>	6,179
4.7 acre residential (apartments)	1,800	<b>3,000</b>	2,800	3,575	2,570	4,460	3,730	<b>3,300</b>	2,200	2,300	4,947
1.9 acre manufacturing (auto shop)	1,350	<b>2,100</b>	<b>2,800</b>	3,518	2,540	3,515	4,930	1,800	1,450	1,700	3,789

\*Site plan review is included with rezoning fee in Louisville. Many other cities have separate fees for each.

**Bold** = median amongst peer cities

Two fees are proposed to be removed. These fees have not been used for many years and appear to be unnecessary and/or onerous.

<b>Fees to be Removed</b>	<b>Current</b>	<b>Proposed</b>
Request for continuance of application at LD&T or PC	\$480	\$0
Request for continuance of application at BOZA	50% of original fee	\$0

Three new fees are proposed. These applications or functions exist today, but are provided with no fee. The Temporary Activity Permit fee will provide full cost recovery. The Category 2B fee is a staff level review for small developments. The proposed fee is not at full cost recovery. The Construction Review fee is also not at full cost recovery.

<b>New Fees</b>	
Category 2B review	\$180
Temporary Activity Permit (TAP)	\$25
Construction Review (Transportation Plan Review)	\$200

A fee waiver program is proposed in order to incentivize small and micro-business development and remove the burden on those most affected by planning fees. Any business that qualify as a Microbusiness under Community Services and Revitalization's (CSR) program would not have to pay any planning fees. CSR's Microbusiness Program was established to help low and moderate income business owners with starting and growing small businesses.

To qualify as a Microbusiness by CSR, the applicant must meet all of the following:

1. Businesses that employ five or fewer employees including the owner.
2. The business must be located in Louisville/Jefferson County and the owner must also live in Louisville.
3. The business owner's household income must fall at or below 80% of the average median income.
4. The business must be an "eligible activity." CSR lists eligible and ineligible activities on the application.

The impact of this fee waiver is estimated to be small, but would increase cross-department collaboration and would expand Metro Government's existing portfolio of programs for small and micro businesses.

Metro Council also recently approved a fee waiver for properties purchased from the Land Bank Authority of Louisville.

#### Impact of Proposal

All cases from 2008 through 2012 were used to compare fees that were received with fees that would have been received under this proposal.

The actual average annual revenue received from 2008 – 2012 was \$333,323 (15% of PDS budget). The average annual revenue that would have been received from 2008 – 2012 under this proposal is \$461,360 (21% of PDS budget).