

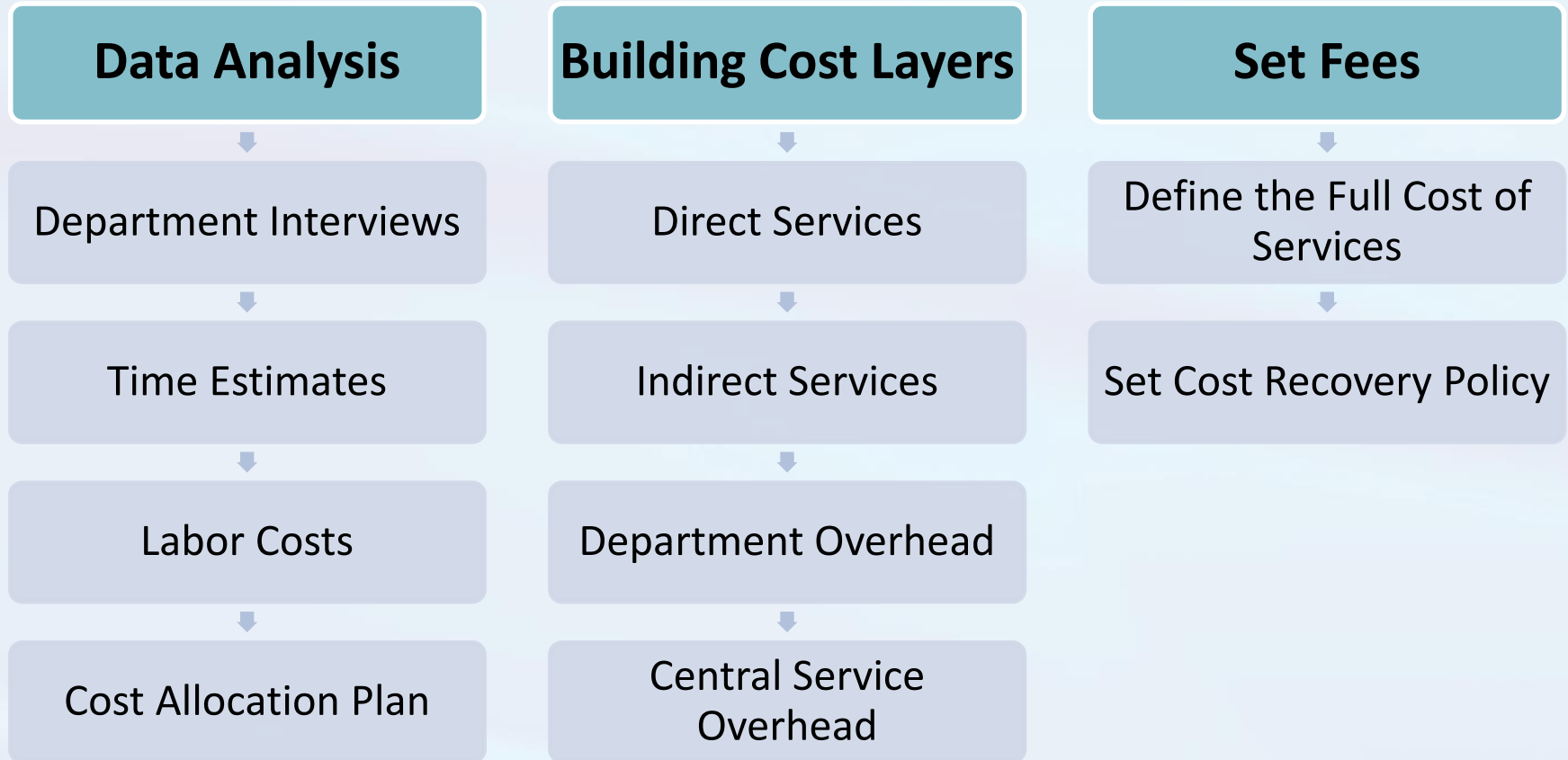
Town of Paradise Valley

Presentation for

User Fee Study of Development Related Services



Summary Steps of the Study



Components of the Study

Willdan used the following data and information provided by staff to determine full cost of providing each service:

- Department budgets , other cost and revenue data
- Salary and benefit information
- Central Service/Indirect Cost Overhead
- Productive/billable hours
- Time estimates per program or fee
- Department input, feedback and policies

Fee Cost Composition Example

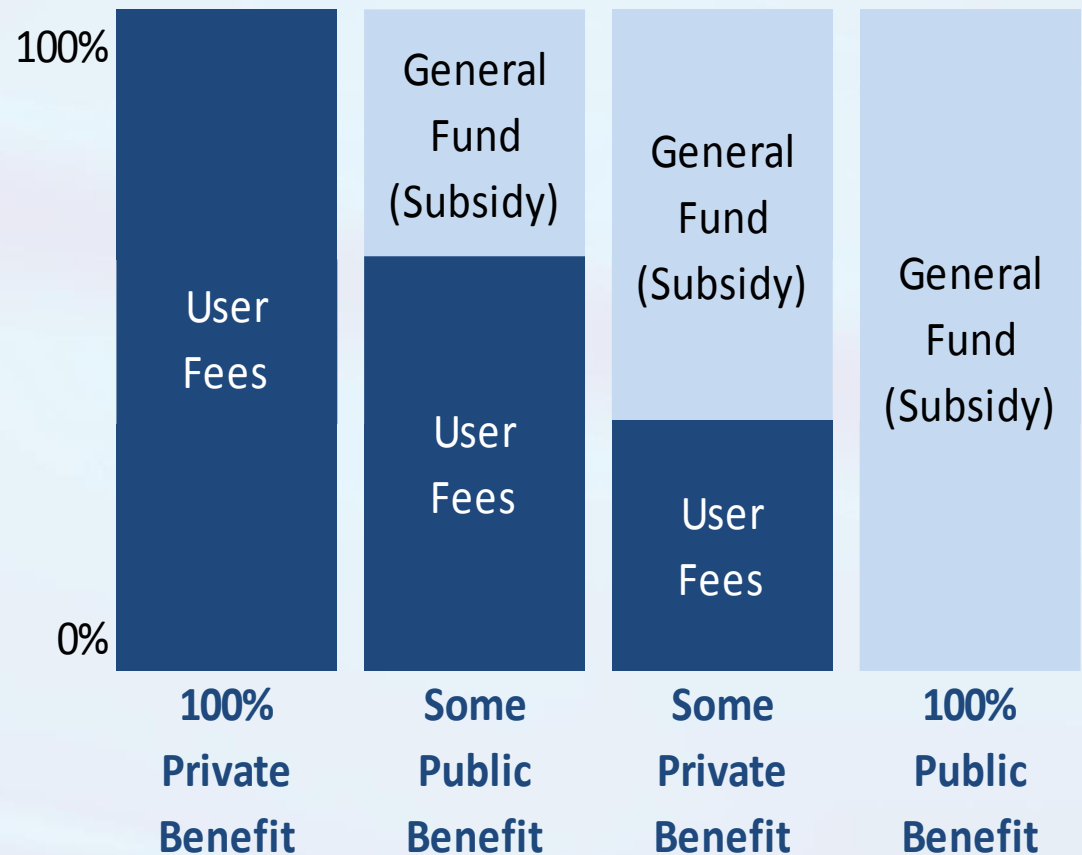
- Departmental fully burdened hourly rates were used to calculate full cost for fees
- It is important to keep in mind all processes and personnel involved in a fee to get calculate the full cost



Policy Considerations

- In certain situations, subsidization of fees is an effective public policy tool:

- Encourage participation
- Facilitate compliance
- Allow access to services



Policy Considerations

- General standard: individuals or groups who receive private benefit from service should pay 100% of cost
- Use care with strict benchmarking with neighboring jurisdictions
 - Not an “apples-to-apples” comparison
 - Services called the same thing may be vastly different
 - Staffing levels and processes vary from town to town
 - Subsidies not known
- Recommended that Town include an annual inflation factor which will allow Town Council by resolution to annually adjust fees based on CPI or other factor

Results

1. Building permits: For 100% cost recovery, fees for building permits would increase **5.2%**. This could be accomplished by increasing the current rate by 5.2%
 - a) If the current assumed value per square foot of \$150 were adjusted to reflect the current market (closer to \$400/sf), the recommended rate would be lowered accordingly to result in the same overall cost recovery fee.
 - b) Unusual to include valuation in the fee schedule
2. Streamlining fees: Rather than a lengthy cafeteria style list of fees for each fixture, builders would pay a single flat rate fee for a plumbing permit, a mechanical permit, or an electrical permit.
3. Other planning, building, engineering, and fire inspection fees have been calculated to reflect the average actual cost to process these activities.

Building Permit

(assuming \$150/sf)

Total Valuation	Current Fee	Fee Required to Recover Full Cost
\$1 to \$500	\$23.50	\$24.73
\$501 to \$2,000	\$23.50 for the first \$500 plus \$3.05 for each additional \$100 or fraction thereof, to and including \$2,000	\$24.73 for the first \$500 plus \$3.21 for each additional \$100 or fraction thereof, to and including \$2,000
\$2,001 to \$25,000	\$69.25 for the first \$2,000 plus \$14 for each additional \$1,000 or fraction thereof, to and including \$25,000	\$72.86 for the first \$2,000 plus \$14.73 for each additional \$1,000 or fraction thereof, to and including \$25,000
\$25,001 to \$50,000	\$391.25 for the first \$25,000 plus \$10.10 for each additional \$1,000 or fraction thereof, to and including \$50,000	\$411.67 for the first \$25,000 plus \$10.63 for each additional \$1,000 or fraction thereof, to and including \$50,000
\$50,001 to \$100,000	\$643.75 for the first \$50,000 plus \$7 for each additional \$1,000 or fraction thereof, to and including \$100,000	\$677.35 for the first \$50,000 plus \$7.37 for each additional \$1,000 or fraction thereof, to and including \$100,000
\$100,001 to \$500,000	\$993.75 for the first \$100,000 plus \$5.60 for each additional \$1,000 or fraction thereof, to and including \$500,000	\$1,045.62 for the first \$100,000 plus \$5.89 for each additional \$1,000 or fraction thereof, to and including \$500,000
\$500,001 to \$1,000,000	\$3,233.75 for the first \$500,000 plus \$4.75 for each additional \$1,000 or fraction thereof, to and including \$1,000,000	\$3,402.56 for the first \$500,000 plus \$5.00 for each additional \$1,000 or fraction thereof, to and including \$1,000,000
\$1,000,001 and up	\$5,608.75 for the first \$1,000,000 plus \$3.15 for each additional \$1,000 or fraction thereof.	\$5,901.53 for the first \$1,000,000 plus \$3.31 for each additional \$1,000 or fraction thereof.

Building Permit

(assuming \$400/sf)

Total Valuation	Current Fee	Fee Required to Recover Full Cost
\$1 to \$500	\$23.50	\$24.73
\$501 to \$2,000	\$23.50 for the first \$500 plus \$3.05 for each additional \$100 or fraction thereof, to and including \$2,000	\$24.73 for the first \$500 plus \$1.20 for each additional \$100 or fraction thereof, to and including \$2,000
\$2,001 to \$25,000	\$69.25 for the first \$2,000 plus \$14 for each additional \$1,000 or fraction thereof, to and including \$25,000	\$72.86 for the first \$2,000 plus \$5.52 for each additional \$1,000 or fraction thereof, to and including \$25,000
\$25,001 to \$50,000	\$391.25 for the first \$25,000 plus \$10.10 for each additional \$1,000 or fraction thereof, to and including \$50,000	\$411.67 for the first \$25,000 plus \$3.99 for each additional \$1,000 or fraction thereof, to and including \$50,000
\$50,001 to \$100,000	\$643.75 for the first \$50,000 plus \$7 for each additional \$1,000 or fraction thereof, to and including \$100,000	\$677.35 for the first \$50,000 plus \$2.76 for each additional \$1,000 or fraction thereof, to and including \$100,000
\$100,001 to \$500,000	\$993.75 for the first \$100,000 plus \$5.60 for each additional \$1,000 or fraction thereof, to and including \$500,000	\$1,045.62 for the first \$100,000 plus \$2.21 for each additional \$1,000 or fraction thereof, to and including \$500,000
\$500,001 to \$1,000,000	\$3,233.75 for the first \$500,000 plus \$4.75 for each additional \$1,000 or fraction thereof, to and including \$1,000,000	\$3,402.56 for the first \$500,000 plus \$1.87 for each additional \$1,000 or fraction thereof, to and including \$1,000,000
\$1,000,001 and up	\$5,608.75 for the first \$1,000,000 plus \$3.15 for each additional \$1,000 or fraction thereof.	\$5,901.53 for the first \$1,000,000 plus \$1.24 for each additional \$1,000 or fraction thereof.

Questions & Answers