

RESOLUTION NUMBER 2022-25

A RESOLUTION OF THE TOWN OF PARADISE VALLEY, ARIZONA, AMENDING THE MASTER FEE SCHEDULE FOR THE TOWN OF PARADISE VALLEY BY ADDING SECTION 3.8, SHORT- TERM RENTAL PERMIT FEE

WHEREAS, Arizona Revised Statutes (A.R.S.) § 9-500.39 authorizes municipalities to require the owner of a vacation rental or short-term rental to obtain a permit, for which the Town of Paradise Valley (the “Town”) may assess a fee for the actual cost of issuing the permit or \$250, whichever is less.

WHEREAS, the Town of Paradise Valley Town Council (the “Town Council”) adopted Ordinance 2022-06 on October 13, 2022, amending Article 10-14 of the Town Code to require the owner of a short-term rental to obtain a permit and to pay an annual \$250 permit fee; and

WHEREAS, pursuant to A.R.S. § 9-499.15, the Town prepared a written report and data supporting the assessment of a \$250 fee, a copy of which is attached hereto as Exhibit A and posted a link to the report on the Town’s website homepage for 60 days.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Paradise Valley, Arizona, as follows:

Section 1. The recitals above are hereby incorporated as if fully set forth herein.

Section 2. The Master Fee Schedule of the Town of Valley, Section 3.0 (Administrative Fees), is hereby amended to add a new Section 3.8 (Community Development), Subsection 3.8.1 (Short-Term Rental Permit), to read as follows:

3.8 COMMUNITY DEVELOPMENT – SHORT-TERM RENTAL PERMIT

3.8.1 Short-Term Rental Permit \$250.00

Section 3. The Mayor, the Town Manager, the Town Chief Financial Officer, the Town Clerk, and the Town Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this Resolution.

Section 4. If any section, subsection, sentence, clause, phrase, or portion of this Resolution is for any reason held to be invalid or unconstitutional by the decision of any court competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

[Signatures on following page]

PASSED AND ADOPTED by the Mayor and Council of the Town of Paradise Valley, Arizona, this 10th day of November, 2022.

Jerry Bien-Willner, Mayor

ATTEST:

Duncan Miller, Town Clerk

APPROVED AS TO FORM:

Andrew J. McGuire, Town Attorney

EXHIBIT A
TO
RESOLUTION 2022-25

[Short Term Rental Fee Report]

See following page.

MEMORANDUM

To: Town of Paradise Valley

From: Tony Thrasher, Senior Project Manager
Willdan Financial Services

Date: September 9, 2022

Re: Town of Paradise Valley - Short-Term Rental Permit Program Fee Analysis
and Results

Willdan reviewed the proposed service of the Short-Term Rental Program which is a cross departmental process involving positions in Planning, Building, Information Technology and Finance. Town staff provided reasonable time estimates for providing the service directly on a per occurrence basis as well as for positions that oversee the overall program. Fully burdened hourly rates were calculated for each position and include salary and benefit cost as well as direct overhead representing a pro rata share of other departmental costs, as well as indirect overhead support costs representing Town central service support cost such as the Mayor & City Council, Town Manager, and Town Clerk.

The full cost has been determined to be \$373.58 per permit and also includes the material cost involved with administering, monitoring, and operating the program. Refer to the table below for the detail of the cost per permit calculation.

Position	Hourly Rate	Time (hrs)	Cost	Note
Bldg - Code Compliance Officer (STR)	\$125.36	2	\$250.73	
Plng - CDD Assistant	\$60.11	0.5	\$30.06	
IT - Information Technology Analyst	\$138.84	0.068	\$9.44	Time spread over all permits
Fin - Senior Finance & Budget Analyst	\$167.52	0.020	\$3.35	Time spread over all permits
Material Cost			\$80.00	Cost spread over all permits
Total Cost per Permit			\$373.58	

Per Arizona Statute §9-500.39 the fee is not to exceed the full cost or \$250, whichever is less. As such it is recommended that the permit be adopted at \$250.

Based on an estimated 250 permits the program would provide for \$62,500 in revenue to the City and would recover 67% of the total program cost of \$93,394.