



**LACEY CITY COUNCIL
WORKSESSION
THURSDAY, MAY 3, 2018
7:00 – 8:30 P.M.
LACEY CITY HALL – 420 COLLEGE STREET SE**

AGENDA

- 7:00 TCOMM 911 PRESENTATION**
*KEITH FLEWELLING, EXECUTIVE DIRECTOR OF TCOMM911
(VERBAL - PRESENTATION)*
- 7:30 BUILDING AND PLANNING FEES**
*WADE DUFFY, BUILDING OFFICIAL AND FIRE MARSHALL, AND GEORGE SMITH,
ECONOMIC DEVELOPMENT COORDINATOR
(STAFF REPORT ATTACHED)*
- 8:30 ADJOURN**



LACEY CITY COUNCIL WORKSESSION May 3, 2018

SUBJECT: Proposed Adjustments to Planning and Building Cost Recovery Fees

RECOMMENDATION: Review recommended adjustments to Planning and Building Cost Recovery Fees.

STAFF CONTACT: Scott Spence, City Manager *SS*
Rick Walk, Community & Economic Development Director *RW*
Wade Duffy, Building Official and City Fire Marshall
George Smith, Economic Development Coordinator *GES*

ORIGINATED BY: Community & Economic Development Department

ATTACHMENTS: 1. [Proposed Planning Cost Recovery Fee Schedule](#)
2. [Proposed Building Cost Recovery Fee Schedules](#)

FISCAL NOTE: Based on the first seven months of the current cost recovery fees, if adopted as proposed, General Fund revenues from these fee adjustments would increase by less than \$10,000 annually: an increase of less than one percent.

PRIOR REVIEW: This is a result of the one-year “check-in” called for by City Council upon their approval of the current cost recovery fees in June 2017.

BACKGROUND:

In June 2017, the City Council approved the first major changes to the City’s planning and building cost recovery fees in 25 years. During that 25-year time period, regulations affecting development and construction had increased, and projects had become far more complex. At the same time, technology had helped to speed up some processes. These factors had caused the cost recovery fees to become misaligned with the actual cost of providing the services. While the planning fees had been adjusted annually based on increases in salary costs, only minor adjustments had been made to building fees.

In 2016, the Department began an extensive review of its services and costs. A fully-burdened labor rate was calculated, and comparisons were made to Olympia, Tumwater, and Thurston County. Using a recovery target of 75%, the numbers were presented to the General Government Committee for initial input before meeting with stakeholders, which included input and discussion with the Government Affairs Committee of the Olympia Master Builders (OMB).

Based on input from the General Government Committee and OMB, it became clear that the service/fee schedules were confusing, difficult to navigate, filled with technical jargon, and the opposite of a “clear and predicable” customer experience. As a result, staff developed a new approach to the presentation of the services and fees, with clearer titles, significant consolidation of categories, and with separate building services/fee schedules for the three separate user groups, with each schedule arranged by project type.

Department staff presented the revised service/fee schedules, including comparisons to local peers to OMB in February 2017. Staff incorporated the additional suggestions from that meeting into the revised service/fee schedules subsequently reviewed in Council Worksession in May 2017, and adopted by Council in June 2017.

Because the revisions in 2017 were so dramatically different from the previous cost recovery fee schedule, City Council called for a one year “check-in” to ensure that the fees were as understandable as intended, and that the revised format for presentation did not have any unintended consequences. Based on questions and input from applicants and staff, some modifications have been made to the presentation of information on services, and related cost recovery fees, to make them clearer.

Here are the proposed revisions:

Planning Services

- Rewording and typographical correction related to services by Forester
- \$258.10 fee for Hazard tree Review eliminated
- Landclearing (Minor-Single-family lot) was broken out for clarity
- All of the various services included under the heading of “Limited Administrative Review” were broken out and listed both under that heading, and alphabetically on their own for clarity
- Shoreline Exemptions, that are often referred to as JARPA, are now shown as both, and listed alphabetically in both places for clarity and ease of use
- \$193.57 Tree Report Review was eliminated
- Because many transactions are in cash, cost recovery fees will be rounded to the nearest whole dollar when adjusted annually for cost of living to improve operational efficiency

Homeowners & Home Repair/Remodel Contractors

- Reroof was broken out for clarity

- Breakout Separate thresholds in \$5,000 increments of project value have been broken out between \$5,000 and \$25,000 to better reflect the cost of staff time for lower-cost projects within this range
- Thresholds for value of project have been adjusted up by one cent (\$25,000.00 rather than \$24,999.99) to accommodate a software limitation
- Solar Installation has been broken out for clarity and ease of use
- Because many transactions are in cash, cost recovery fees will be rounded to the nearest whole dollar when adjusted annually for cost of living to improve operational efficiency
- Wording regarding State-mandated fee was modified due to changes in State's fees

Home Builders

- Because many transactions are in cash, cost recovery fees will be rounded to the nearest whole dollar when adjusted annually for cost of living to improve operational efficiency
- Wording regarding State-mandated fee was modified due to changes in State's fees

Commercial, Industrial, Multi-Family, & Mixed Use

- Separate thresholds in \$5,000 increments of project value have been broken out between \$10,000 and \$25,000 to better reflect the cost of staff time for lower-cost projects within this range
- Thresholds for value of project have been adjusted up by one cent (\$25,000.00 rather than \$24,999.99) to accommodate a software limitation
- Under Fire/Burglar Alarm, the wording "plus electrical inspection" has been added for clarity.
- Monument sign has been retitled Stand Alone Signs
- The word Sign has been added to Directional, Alteration, and Electronic for clarity
- The cost for additional wall signs, after the first, has been reduced to \$127.00 per additional sign
- Fire Code Construction Permits have been increased to reflect the additional inspections necessary
- Though Annual Fire Inspections remain free of charge, failed re-inspections that will necessitate a second re-inspection will be charged
- Fireworks permits are broken out, and the notation that after hours rates may apply is added for clarity (since fireworks inspections are generally at night)
- Tent Permits are also broken out
- Because many transactions are in cash, cost recovery fees will be rounded to the nearest whole dollar when adjusted annually for cost of living to improve operational efficiency
- Wording regarding State-mandated fee was modified due to changes in State's fees

One of the major changes in 2017 was separating building services and cost recovery fees into three separate schedules to better serve three different customer groups: home owner/remodel contractors; home builders; and commercial, industrial, multi-family, and

mixed use. This has worked very well, making it much easier for customers and staff. The proposed adjustments will enhance clarity and ease of use for all customers. It will also enable staff to provide information and service in a way that is clear, predictable, fast, and efficient. Staff will be meeting with OMB to go over the minor amendments and report back any feedback to City Council.

ADVANTAGES:

1. Clearer and more predictable costs for all stakeholders.
2. Cost recovery fees are more fair and equitable based on the costs associated with the services provided.
3. Planning and building cost recovery fee contribution to the General Fund will increase by less than one percent.
4. Lacey's fees will continue to remain below our peer average in nearly every category.

DISADVANTAGES:

1. Fees for some Fire Code Construction Permits will increase.

Resolution No. 1047 Exhibit A
City of Lacey Planning Services & Cost Recovery Fees
Effective June 1, 2018

Planning Service	Cost Recovery Fee
Administrative Cost Recovery-Deferred Impact Fees	Included in Building Cost Recovery Fees
Annexation--Initiated by Property Owner(s)	\$1,645.39
Appeal Administrative Determination to Hearings Examiner	\$2,000 Plus Hearings Examiner Cost
Appeal Administrative Determination of Hearings Examiner to Legislative Body	\$580.00
Appeal Hearings Examiner Determination of SPR/SS to Legislative Body	\$1,035.00
Binding Site Plan--Preliminary	\$1,464.17
Binding Site Plan--Final	\$645.85
Boundary Line Adjustment	\$483.94
Comprehensive Plan Amendment	\$3,242.38
Comprehensive Plan Amendment, with Rezone	\$3,823.10
Conditional Use Permit	\$2,226.11
Condominium	\$483.94
<u>Design Review Application</u>	<u>Varies by Project Type</u>
Residential (single family or accessory dwelling)	\$96.79
Industrial	\$338.76
<u>Commercial, Mixed Use, & Multi-Family Design Review</u>	<u>Varies by Project Value</u>
< \$1 million	\$145.18
\$1 million to \$5 million	\$338.76
> \$5 million to \$10 million	\$580.72
> \$10 million	\$774.30
Environmental Checklist	\$376.60
Environmental Impact Statement	\$129.05/hr.
Fees for Planning-related services not otherwise listed	\$96.79/hr.
Forester Hourly Rates	Pass through from the Forester
Forester Hourly Rates (Expert Testimony)	Pass through from the Forester

Planning Service	Cost Recovery Fee
<u>Full Administrative Review</u>	<u>Varies by Project Value</u>
< \$1 million	\$1,560.96
\$1 million to \$5 million	\$1,899.72
> \$5 million to \$10 million	\$2,625.62
> \$10 million	\$3,351.53
Hazard Tree Report Review--When paid by applicant (LMC 1432.035, Table 14T-66)	\$258.10
JARPA/Shoreline Exemption (Limited Administrative Review)	\$193.57
Landclearing (Minor--Single-family lot)	\$96.79
Landclearing (Part of larger land use application such as SPR, CUP, etc.)	\$96.79
Landclearing (Stand-alone)	\$290.36
Limited Administrative Review	\$193.57
Parking Lot Permit (Limited Administrative Review)	
Shoreline Exemption/JARPA (Limited Administrative Review)	
Sign Departures (Limited Administrative Review)	
Stormwater Permit (Limited Administrative Review)	
Street Merchant Permit (Limited Administrative Review)	
Subdivision Extension (Limited Administrative Review)	
Master Plan Amendment	\$96.79/hr. (Planner time only)
Out of Pocket (OOP) Costs (i.e. Recording/Releasing liens, Forester, and/or Publishing of Required Notices)	Actual cost--NO administrative fee
Parking Lot Permit (Limited Administrative Review)	\$193.57
Planned Residential Development--Preliminary	\$483.94
Planned Residential Development--Final	\$193.57
Presubmission Conferences	Free
Shoreline Conditional Use	\$2,419.69
Shoreline Exemption/JARPA (Limited Administrative Review)	\$193.57
Shoreline Master Program Amendment	\$5,565.28
Shoreline Substantial Development Permit	\$2,419.69
Shoreline Variance	\$2,419.69
Short Subdivision--Preliminary	\$924 + \$125/lot
Short Subdivision--Final	\$924 + \$125/lot

Planning Service	Cost Recovery Fee
Signs	Covered Under Building Permit
Signs--Electronic Message Component	Covered Under Building Permit
Sign Departures (Limited Administrative Review)	\$193.57
Sign Departure--Freeway-Oriented	\$2,226.11
Site Plan Minor Amendment	\$96.79
<u>Site Plan Review</u>	<u>Varies by Project Value</u>
< \$1 million	\$1,560.96
\$1 million to \$5 million	\$1,899.72
> \$5 million to \$10 million	\$2,625.62
> \$10 million	\$3,351.53
Site Plan Review by Hearings Examiner	\$2,226.11
Street Merchant (Limited Administrative Review)	\$193.57
Stormwater Permit (Limited Administrative Review)	\$193.57
Subdivision--Preliminary	\$2,066 + \$38/lot
Subdivision--Final	\$1,501 + \$38/lot
Subdivision Resubmission/Extension (Limited Administrative Review)	\$193.57
Tree Report Review	\$193.57
Variance	\$1,451.81
Village Center application (including changing zoning maps)	\$129.05/hr. (Planner time only)
Wetlands Review--Administrative	\$774.30
Wetland Review by SPR Committee	\$666.96
Wetland Review by Hearings Examiner in conjunction with other land use applications	\$580.72
Wetland Review by Hearings Examiner	\$967.87
<u>Woodland District Review</u>	<u>Varies by Project Value</u>
< \$1 million	\$1,560.96
\$1 million to \$5 million	\$1,899.72
> \$5 million to \$10 million	\$2,625.62
> \$10 million	\$3,351.53
Zoning Verification Letter	\$193.57
Zoning Text Amendment	\$3,242.38

Notes

(1) All out of pocket (OOP) expenses such as recording, required public advertising, etc. will be passed through to applicant.

(2) Cost recovery fees are adjusted annually, effective on July 1st, reflecting changes in employee costs for the Community and Economic Development Department, and will be rounded to closest whole dollar amount.

City of Lacey Building Services & Cost Recovery Fees
Effective June 1, 2018
For Homeowners & Home Repair/Remodel Contractors

Building Service	Cost Recovery Fee
<u>Replacement of "same for same" (Requiring an inspection)</u>	
Hot water heater	\$92.96
Furnace	\$92.96
Reroof	\$178.98
Inspection outside normal business hours*	185.93/hour
Reinspection (Work not done/No-show)*	123.95/hour
Follow-up inspection (Initial inspection ok to proceed)	\$0.00
Inspection for which no fee is specifically indicated per hour (1/2 hour minimum)*	133.92/hour
Work done without a permit**	Double of Permit Cost
<u>Renovation/Remodel (No expansion of square footage of home)</u>	
Building Permit (Value of improvements)	
< \$5,000 or less	\$178.98
> \$5,000 to \$10,000 & < \$25,000	\$536.93 \$236.25
> \$10,000 to \$15,000	\$358.00
> \$15,000 to \$20,000	\$447.00
> \$20,000 to \$25,000	\$537.00
> \$25,000 to & < \$50,000	\$715.91
> \$50,000 & higher	\$1,073.86
Adult Family Home	\$386.80 \$434.00
Plumbing Permit (Over the counter-no plan check)	\$92.96
Mechanical (Over the counter--no plan check)	\$92.96
Electrical (Any changes or additions to electrical systems)	Varies based on State L&I Rates
Solar Installation	\$139.44
Inspection outside normal business hours*	185.93/hour
Reinspection (Work not done/No-show)*	123.95/hour
Follow-up inspection (Initial inspection ok to proceed)	\$0.00
Inspection for which no fee is specifically indicated per hour (1/2 hour minimum)*	133.92/hour
Work done without a permit**	Double of Permit Cost

Manufactured Housing Placement Permit	
Single Wide	\$200.00
Double Wide	\$250.00
Triple Wide	\$470.21
Premanufactured Addition	\$327.03
Building Service	Cost Recovery Fee
Expansion of Existing Home	
Building Permit (Value of improvements)--Includes Plan Check Cost Recovery (25% of Permit Cost)	
< \$5,000 or less	\$178.98
>\$5,000 to \$10,000 & < \$25,000	\$536.93 \$236.25
>\$10,000 to \$15,000	\$358.00
>\$15,000 to \$20,000	\$447.00
>\$20,000 to \$25,000	\$537.00
>\$25,000 to & < \$50,000	\$715.91
>\$50,000 to & < \$100,000	\$1,073.86
>\$100,000 & higher	\$2,496.34
Adult Family Home	\$386.80
Washington State Energy Code	\$46.48
Courtesy Walk-through	\$-0-
Plumbing Permit (Over the counter-no plan check)	\$92.96
Mechanical (Over the counter--no plan check)	\$92.96
Electrical (any changes or additions to electrical systems)	Varies based on State L&I Rates
Pools	\$50.00
Spas	\$50.00
Demolition	\$75.33
Inspection outside normal business hours*	185.93/hour
Reinspection (Work not done/No-show)*	123.95/hour
Follow-up inspection (Initial inspection ok to proceed)	\$0.00
Inspection for which no fee is specifically indicated per hour (1/2 hour minimum)*	133.92/hour

Notes:

*Or the total hourly cost to the jurisdiction, whichever is greatest. Cost includes supervision, overhead, equipment, hourly wages and benefits of employees involved.

1. Cost recovery fees are adjusted annually, effective on July 1st, reflecting changes in employee costs for the Community and Economic Development Department, **and rounded to the closest whole dollar.**
2. A ~~\$4.50~~ state-mandated fee is added to each permit issued.

City of Lacey Building Services & Cost Recovery Fees
Effective June 1, 2018
For Home Builders

Building Service	Cost Recovery Fee
Grading Permit	
<100 cubic yards	\$123.89
100 & < 1,000 cubic yards	\$274.55
1,000 & < 10,000 cubic yards	\$661.35
10,000 & < 100,000 cubic yards	\$1,523.59
100,000 cubic yards and more	\$2,544.98
For Single Family Residences (SFR) 1500 SF or SMALLER	
Building Permit (Value of improvements)	
< \$50,000	\$805.31
\$50,000 & < \$100,000	\$1,242.19
\$100,000 & < \$500,000	\$1,242.19 plus \$7.00 per \$1,000 > \$100,000
\$500,000 & < \$1 million	\$4,042.19 plus \$5.94 per \$1,000 > \$500,000
\$1 million & higher	\$7,010.94 plus \$4.56 per \$1,000 > \$1 million
To support affordable housing efforts, Lacey's plan check fee for homes 1,500 sf or SMALLER is 25% of permit charge, and	
SFR > 1500 SF	
< \$50,000	\$966.38
\$50,000 & < \$100,000	\$1,490.63
\$100,000 & < \$500,000	\$1,490.63 plus \$8.40 per \$1,000 > \$100,000
\$500,000 & < \$1 million	\$4,850.63 plus \$7.13 per \$1,000 > \$500,000
\$1 million & higher	\$8,413.13 plus \$5.48 per \$1,000 > \$1 million
Lacey's plan check fee for homes > 1,500 sf is 50% of permit charge, and is included in these amounts.	

Building Service	Cost Recovery Fee
For all Homes	
Plumbing Permit--whole house new construction	\$190.83

Mechanical Permit--whole house new construction	\$286.36
Electrical Permit	Varies based on State L&I Rates
Washington State Energy Code	\$92.96
Administrative Cost Recovery--Deferred Impact Fees	\$258.10
Adult Family Home	Listed under "Homeowners"
Pools	\$50.00
Spas	\$50.00
Demolition	\$75.33
Inspection outside normal business hours*	185.93/hour
Reinspection Fee (Work not done/No-show)*	123.95/hour
Follow-up Inspection (Initial inspection ok to proceed)	\$0.00
Inspection for which no fee is specifically indicated per hour (1/2 hour minimum)*	133.92/hour

Notes:

*Or the total hourly cost to the jurisdiction, whichever is greatest. Cost includes supervision, overhead, equipment, hourly wages and benefits of employees involved.

1. Cost recovery fees are adjusted annually, effective on July 1st, reflecting changes in employee costs for the Community and Economic Development Department, **and rounded to the closest whole dollar.**

2. A ~~\$4.50~~ state-mandated fee is added to each permit issued.

City of Lacey Building Services & Cost Recovery Fees

Effective **June 1, 2018**

Commercial, Industrial, Multi-Family, Mixed-Use

Building Service	Cost Recovery Fee
Grading Permit	
<100 cubic yards	\$123.89
100 & < 1,000 cubic yards	\$274.55
1,000 & < 10,000 cubic yards	\$661.35
10,000 & < 100,000 cubic yards	\$1,523.59
100,000 cubic yards and more	\$2,544.98
Building Permit (Value of improvements)	
< \$10,000 or less	\$236.25
>\$10,000 to \$15,000 & < \$25,000	\$708.76 \$354.00
>\$15,000 to \$20,000	\$473.00
>\$20,000 to \$25,000	\$709.00
>\$25,000 to & < \$50,000	\$945.00
>\$50,000 to & < \$100,000	\$1,639.69
>\$100,000 to & < \$500,000	\$5,335.77
>\$500,000 to & < \$1 million	\$9,254.44
>\$1 million & higher	\$9,254.44 for first \$1 million, plus \$6.02 for each additional \$1,000 or fraction thereof
Plan check fees are included and remain unchanged at 65% of permit fee. Plan check fees MAY be waived for some simple	
Plumbing Permit	
Minimum Plumbing Permit	\$92.96
Base Permit	\$40.00
Gas piping (per system)	\$10.00
Industrial waste interceptor	\$20.00
Lawn sprinkler (per system)	\$25.00
Plumbing Fixture	\$10.25
Water Heater	\$20.00
Plan review % of permit fee	65%
Building Service	Cost Recovery Fee
Mechanical Permit	
Minimum Mechanical Permit	\$92.96

Base Permit	\$60.00
Air Handler w/ducts	\$28.00
Boiler/Compressor	\$95.00
Dryer	\$12.00
Evaporative Cooler	\$18.00
Furnace	\$30.00
Gas Insert	\$18.00
Gas piping (per system)	\$18.00
Hazardous or non-hazardous piping system	\$18.00
Heat Pumps	\$18.00
Hood	\$18.00
Installation or relocation of furnaces or heaters	\$25.00
Range	\$12.00
Vent or vent fan not covered by any other permit	\$22.00
Ventilation System NOT part of heat/AC system	\$18.00
Water Heater	\$38.00
Wood Stove	\$18.00
Plan review % of permit fee	65%
Adult Family Home	Listed under "Homeowners"
Fire/Burglar Alarm Permit	
< 2,500 sf	\$92.96, plus electrical permit
Per additional 2,500 sf	\$23.24
Electrical Permit	Varies based on State L&I Rates
Pools	\$386.80
Spas	\$386.80
Courtesy Walk-through	\$-0-
Building Service	Cost Recovery Fee
Stand Alone Signs Monument	\$243.71
	243.71 1st sign, \$127.00 additional sign
Wall Signs	
Directional Signs	\$243.71
Sign Alteration	\$243.71
Electronic Sign Message Component	\$340.49

Demolition	\$75.33
Washington State Energy Code	\$185.93
Administrative Cost Recovery--Deferred Impact Fees	\$258.10
Fire Code Construction Permits (includes Fire Code Plan Review Fee) Based on value of system	
< \$50,000.00 or less	\$185.93 \$533.00
>\$50,000 to & < \$100,000	\$371.85 \$719.00
>\$100,000 to & < \$500,000	\$557.78 \$992.00
>\$500,000 to & < \$1 million	\$743.70 \$1,265.00
>\$1 million to & < \$5 million	\$1230.94 \$2,099.00
>\$5 million & higher	\$2361.45 \$4,097.00
Annual Fire Inspections	Free
Annual Fire Inspections--Reinspections	\$123.95
Fireworks	\$123.95/hour (after hours rate may apply)
Tents	\$123.95
Inspection outside normal business hours*	185.93/hour
Reinspection Fee (Work not done/No-show)*	123.95/hour
Follow-up Inspection (Initial inspection ok to proceed)	\$0.00
Inspection for which no fee is specifically indicated per hour (1/2 hour minimum)*	133.92/hour

Notes:

*Or the total hourly cost to the jurisdiction, whichever is greatest. Cost includes supervision, overhead, equipment, hourly wages and benefits of employees involved.

1. Cost recovery fees are adjusted annually, effective on July 1st, reflecting changes in employee costs for the Community and Economic Development Department, **and rounded to the closest whole dollar.**

2. A ~~\$4.50~~-state-mandated fee is added to each permit issued.