LARIMER COUNTY | COMMUNITY DEVELOPMENT

P.O. Box 1190, Fort Collins, Colorado 80522-1190

To: Board of County Commissioners

From: Lesli Ellis, AICP CEP, Community Development Director

Date: August 11, 2022

Re: Planning and Engineering Development Review Fee Study

Purpose

Larimer County Community Development and Engineering departments have been working with consultant Ayres Associates to conduct a comprehensive study of Planning and Engineering Development review fees to determine if they need to be adjusted. It has been at least ten years since Community Development conducted such a study, but since 2017 the planning division has been annually adjusting the fee schedule based on the regional Consumer Price Index (CPI).

At the work session, staff and consultants will present the information from the study and seek Board of County Commissioner feedback on an initial set of recommendations and general direction.

Background

The County charges a combined Planning and Engineering development review fee to an applicant at the time of a development application, and fees have generally been intended to cover the cost of services. **(See Attachment A: 2022 Fee Schedule.)** For instance, the fee for a Site Plan (with buildings 10,000-25,000 sf) is $2,988, where of the total, the Planning fee is $1,921 and the Engineering fee is $1,067. Current fees also do not reflect Environmental Health Division costs for development review.

Every July 1st the County implements a regional Consumer Price Index (CPI) adjustment based on the US Department of Labor/Bureau of Labor Statistics for our area -- the Denver-Aurora-Lakewood, CO area. In 2021, the adjustment was a 1.95% increase. Planning has not increased fees for 2022 (per the 2021 CPI increase of 3.54%) in anticipation of completing this study and including that fee in the schedule then. Periodically, staff approaches the Board of County Commissioners to request fee adjustments or new fees, such as in 2021 when several new fees were added because of the new Land Use Code (e.g., a new Wireless Eligible Facilities Request and Administrative Special Review fees).

The Building Division charges fees at the time of a building permit issuance, and those fees are handled separately and are not part of this study. However, the building fees are of interest because of the overall mix of fees for development applications and projects. The Building division did adjust fees on July 1, 2022 to reflect the CPI. For reference, the US Department of Labor/Bureau of Labor Statistics CPI for all urban consumers for the Denver-Aurora Lakewood, Colorado area rose 3.54% in 2021.

Ayres has presented preliminary findings of the study including comparable communities in a memo to staff. **(See Attachment B.)** The findings indicate that over 50% of Planning fees generally are close to what they should be – considering the time it takes to do development review and based on comparable community analysis. This does not account for the additional costs associated with meeting notifications and advertising. The remaining Planning fees could see a $300-$800 increase, and an increase over $1,000 for certain categories such as 1041 reviews.

Engineering fees, on the other hand, are mostly substantially lower than the cost of the service and comparable communities, and the County does not charge Engineering fees for certain case types (such as 1041 reviews, sketch plans, and development agreements). With that Site Plan example noted earlier, the study indicates that the total Site Plan fee may need to increase by $1,000-$1,200 to recover costs of about $1,600 for Engineering review.

Additionally, the fee study gives Community Development an opportunity to discuss broader service cost capture goals and determine if certain fees could be adjusted. For example, the Planning Division is not currently charging a fee for Oil and Gas Minor Modification determination application and finds that the Short-term Rental (STR) application fees are not covering the time it takes for the development review team to complete the review. New or higher fees might be recommended in those instances.

Certain communities have implemented an equity-based fee or varying fees depending on project size. Larimer County does this to some degree but could do more. Understanding that the Board of County Commissioners has expressed interest in looking at incentives for community benefit projects or providing equity and ability for smaller businesses and workforce residential development to occur, this can be part of the fee changes. Fort Collins, for instance, provides a 25 percent reduction for certain types of projects. This type of “equity fee” reduction might apply to application types such as:

- Small businesses with less than 3 employees, or businesses that are simply doing a tenant finish,
- Subdivisions with less than 3 lots,

- Housing for long term rental or extended family use (e.g., ALA, etc.),
- Minor amendments to approved plans, and
- Upgrades to a site to improve lighting or achieve other comprehensive plan, climate smart plan goals or county policies, such as childcare facilities or local food agricultural projects.

Initial Recommendations as Part of the Fee Study

Based on study results to date, the staff and consultant team would recommend the following ideas:

1. Clarify and affirm the goal around Planning and Engineering Fees, to be: ***Recoup overall (about 80-90%) service cost on most application types****, and*
2. Make specific fee changes to accomplish the service cost goal, including for instance:
    a. Maintain Planning fees in many categories (except for some downward adjustments for smaller projects – and increases for larger and more complex projects, such as 1041s, or additions where a fee is not charged).
    b. Itemize and increase the portion of the fee that covers Engineering review fees to capture overall service cost.
    c. The increases could be graduated over the next few years.
    d. In 2023, consider adjustments to the Environmental Health Division development review fees.
3. Establish a lower fee for certain small-scale project types, by developing equity-based evaluation criteria based on project size and complexity that follows a similar approach to Fort Collins and potentially including some items on the list in this memo.
4. Implement the new fee schedule on January 1, 2023 incorporating Consumer Price Index (CPI) increase of 3.54% for 2022.
5. On July 1, 2023, continue the regular annual CPI adjustment that would apply to the fee schedule.
6. To capture service costs on more complex projects or for projects where applicant may need to submit multiple sets of materials, establish a resubmittal fee. This would begin with the third submittal on technical project types based on a set percentage of service.
7. At least every five years, conduct a follow-up review of the development review fee schedule and service costs to re-evaluate the County's service cost recovery goal and make necessary adjustments.
8. Make other adjustments to fee approach such as: Rounding fees to the nearest dollar and charging notification and advertising costs as a separate itemized fee to be passed on to the applicant at the time notification requirements are determined (like how recording costs are assessed) and consolidate some of the categories on the list to simplify it (for instance some of Site Plan or 1041 fees).

Next Steps

Next steps for this project include further refinements and getting the word out to the public and customers. The team's initial recommendations have been noted. Feedback from the commissioners at this stage will help in finalizing the fee schedule to bring it back next month for approval. It is anticipated that the new fees would go into effect on January 1, 2023.

Questions for the Board of County Commissioners

1. ***Do commissioners agree with or have feedback on the goal to recoup overall service cost on most development review application types?***
2. ***Do commissioners generally support or have feedback about the other initial recommendations presented in this memo?***
3. ***Do commissioners have any other feedback or suggestions as the team prepares the fee schedule for review and approval?***

Attachments

Attachment B includes the current 2022 fee schedule.
Attachment A includes the Fee Study initial findings memo from Ayres Associates.

LARIMER COUNTY DEVELOPMENT REVIEW FEE SCHEDULE
Effective July 1, 2021

Attachment A

COMMUNITY DEVELOPMENT PLANNING DEPARTMENT

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Multiple fees shall be charged for multiple requests in a single application (except for a Special Review and Rezoning application) at the public hearing stage. Multiple requests in a single application at Sketch Plan Review will only be charged the single Sketch Plan Review Fee. Sign and advertising costs are included in the application fees. Recording fees will be collected at the time of recording.

1041	
Domestic Water/Sewer Transmission Line	$6,191.16
Electrical Substation	$3,202.32
Electrical Transmission Line	$6,191.16
Electrical Transmission Line Upgrade	$3,202.32
Natural Gas/Petroleum Pipeline	$6,191.16
Natural Gas/Petroleum Storage Facility	$3,202.32
Power Plant	$6,191.16
Wind Power Plant	$6,191.16
Any combination of Power Plant/Transmission Line or Substation	$8,005.81
Solar Energy Power Plant	$3,202.32
Additions/Alterations	$1,601.16
Appeal	$640.46
Add-On-Agreement	$106.74 + Rec. Fees
Amended Plat	$944.69+Rec.Fees
Amended Plat - Administrative	$200.00 + Rec. Fees
Appeals to the Board of County Commissioners	
Code standard as part of a project review	No Charge
Code standard without a project submittal	$773.89
Fee Appeal	No Charge
Appeals to anything else (process, interpretation, etc.)	$773.89
Boundary Line Adjustment	$720.52+ Rec. Fees
Certificate of Designation	$909.19
Colorado Geological Survey Fee - please make checks payable to the Colorado Geological Survey	
Very Small Residential Sub (1-3 dwellings & less than 100 acres)	$600.00
Small Subdivision (more than 3 dwellings & less than 100 acres)	$950.00
Large Subdivision (100 - 499 acres)	$1,550.00
Very Large Subdivisions (500 acres or more)	$2,500.00

LARIMER COUNTY DEVELOPMENT REVIEW FEE SCHEDULE - Cont.

Condominium Map Review	$304.22 + Rec. Fees
Easement Vacation	$106.74
Extended Family Dwelling (Administrative Review)	$320.23 + Rec. Fees
Extended Family Dwelling (BCC Review) - For reasons other than age or disability, or on lots/parcels containing fewer than 4 acres	$987.38 + Rec. Fees
Farmstead	$366.46 per d/u + Rec. Fees

Fire District Fee (applied at initial submittal)

Berthoud Fire Protection District - Minor Subdivision/ Replat, Preliminary Plat, Final Plat and PUD or Amendment to PUD, Site Plan	$100.00
CTR / Sketch or any other project referred to BFPD	$50.00
(Please make checks payable to Berthoud Fire Protection District)	
Loveland Fire Rescue Authority-Land Division, Rezoning Site Plan Review, Special Exception & Special Review Applications	$250.00
Any other application, (example PSP), referred to LFRA	$100.00
(Please make checks payable to Loveland Fire Rescue Authority)	
Poudre Fire Authority - Land Division, Rezoning Site Plan Review, Special Exception & Special Review Applications	$100.00
Any other application (Example PSP) referred to Poudre Fire Authority	$50.00
(Please make checks payable to Poudre Fire Authority)	

Flood Plain Review Board

Flood Plain Map Revision Request established by FEMA	$200.00 + Applicable Fees
Variance	$200.00
Special Review	$400.00
Appeal to the Board of County Commissioners	$50.00

Concept Plan

***1st Step**	Sketch Plan Review	$853.95
***2nd Step**	Public Hearing Submittal	$2,134.88
***Other Possible Fees:**		
	Resubmittal: with referral	1/2 Current App. Fee
	Resubmittal: without referral	$213.48

Location & Extent Review - projects for review that are funded by the Larimer County General Fund are exempt from this review	$1,014.07

LARIMER COUNTY DEVELOPMENT REVIEW FEE SCHEDULE - Cont.

Lot Consolidation		$640.46 + Rec. Fees
Lot Consolidation - Administrative		$200.00 + Rec. Fees
Minor Land Division		
	With existing uses on all proposed lots	$1,067.44 + Rec. Fees
	Creating a vacant lot with proposal	$1,814.65 + Rec. Fees
Nonconformities		$747.21
Plat Vacation		$106.74
Property Status Information		No Charge
Right-of-Way Vacation		$213.49
Rezoning		
***1st Step**	Sketch Plan Review	$853.95
***2nd Step**	Public Hearing Submittal	
	Within a Growth Management Area	$4,269.76
	Outside a Growth Management Area	$3,842.79
	Fire District Fee - see section 'Fire District Fee'	
***Other Possible Fees:**		
	Resubmittal: with referral	1/2 Current App. Fee
	Resubmittal: without referral	$213.49
Rezoning - Comprehensive Plan Implementation		$300.00
	Rezoning to implement the comprehensive plan if concurrent with another application	

Site Plan Review:

If the site plan review is for an addition and the addition is more than 75% of the existing structure, the fee amount will be calculated on the gross square feet of the existing structure plus the gross sq. feet of the addition

*Structures NOT adding square footage but requiring Site Plan Review (such as):	
Change of Use	$426.98
Preliminary Site Plan-part of a CD/PLD/Special Review	No Charge
Temporary Permit for Public Construction Site	$213.49
No Buildings or Buildings less than 10,000 gross sq ft	$1,387.67
Buildings 10,000-25,000 gross square feet	$2,988.84
Buildings more than 25,000 gross square feet	$5,337.21
Tenant Finish on previously approved Site Plan	$64.05
Fire District Fee - see section 'Fire District Fee'	
Resubmittal - First Time	No Charge
Second Time	$53.37
Third Time or more	$106.74
Amended Site Plan per Section 6.1.7 of the Land Use Code request for written approval of minor change to an approved site plan	$53.37

LARIMER COUNTY DEVELOPMENT REVIEW FEE SCHEDULE - Cont.

Special District		$533.72
Special Review		
***1st Step**	Sketch Plan Review	$853.95
***2nd Step**	Public Hearing Submittal (unless use is listed below)	$1,601.16
	Special Review for the following uses:	$6,191.16
	Airport, Cell Tower, Commercial Poultry, Country Club, Feed Yard, Golf Course, Heliport, Jail/Prison, Land Fill (private), Manufactured Housing Park, Mining, Radio and TV Transmitter, Recreational Vehicle Park/Campground, Retreat, Resort Lodge/Cabins, and Seasonal Camp	
	Fire District Fee - see section 'Fire District Fee'	
Special Review - Administrative		$800.00
	If Public Hearing becomes Required - Additional Fee	$785.00
	** Does not include Wireless Communication Facilities or STRs	
***Other Possible Fees:**		
	Development Agreement Modification	$640.46
	Resubmittal: with referral	1/2 Current App. Fee
	Resubmittal: without referral	$213.49
	Special Review Extension/Modification	$640.46
Subdivision, Conservation Development, Planned Land Division Rural Land Use		
***1st Step**	Sketch Plan Review	$853.95
***2nd Step**	Preliminary Plat - Public Hearing Submittal	
	This fee is based upon building lots	
	Up to 6 lots	$3,202.32
	7-50 lots	$4,269.76
	Over 50 lots	$5,337.21
	Colorado Geological Survey Fee - see section 'Colorado Geological Survey Fee'	
	Fire District Fee - see section 'Fire District Fee'	
Subdivision - Administrative		
***1st Step**	Sketch Plan Review	$853.95
***2nd Step**	Final Plat	$3,842.79 + Rec. Fees

LARIMER COUNTY DEVELOPMENT REVIEW FEE SCHEDULE - Cont.

Subdivision, Conservation Development, Planned Land Division Rural Land Use Cont.		
***3rd Step**	Final Plat	$3,842.79 + Rec. Fees
***4th Step**	**Development Construction Permit (Obtained from the Engineering Dept.)**	
	Per Single Family Unit	$150.00
	Per Duplex Unit	$75.00
	Per Multi-Family Unit	$50.00
	Per Commercial Unit	$400.00
***Other Possible Fees:**		
	Development Agreement Modification	$640.46
	Preliminary Plat Time Extension	$640.46
	Resubmittal: with referral	1/2 Current App. Fee
	Resubmittal: without referral	$213.48
Temporary Agricultural Uses		$192.13
	Yearly renewal without significant change	$96.08
Variance (Zoning)		
	Variance	$1,280.93
	Extension or Modification of Approved Variance	$133.43
	Minor Modification	$320.24
	Appeal of an Administrative Decision to the Board of Adjustment	$50.00
Wireless Facilities:		
	Site Plan (SP)	$3,575.93
	Administrative Special Review	$4,280.64
	Special Review	$6,191.16
	Master License Agreement – Site Specific Review Up to 5 Facilities	$500.00
	Additional Facilities (Up to10)	$100.00
	Eligible Facilities Request (EFR)	$450.00
Zoning Compliance Review Fee:		
	**The following fees will be collected at building permit application only if review is required:	
	Accessory Living Structure	$90.74
	Accessory Structures (i.e. sheds, barns, decks, 8' fences, garages, pools, porches, etc.)	
	Less than 35 acres	$32.02
	35 acres or greater	$16.02
	Barn without a Principle Structure	$106.74
	Cell Towers - New/Additions/Alterations	$192.13
	Commercial Structures - New	$192.13
	Commercial Structures - Additions/Alterations	$192.13

LARIMER COUNTY DEVELOPMENT REVIEW FEE SCHEDULE - Cont.

Zoning Compliance Review Fee Cont.

Commercial Structures - Additions/Alterations	$192.13
Fireworks Stands	$192.13
Garage without a Principle Structure	$106.74
Mobile Home - temporary during construction	$69.38+ zoning compliance fee
Residential Structures – New	$90.74
Residential Structures – Additions	$69.38
Residential Structures – Alterations	$16.02
In Non-Residential, Residential and Rural Districts	$90.74
Temporary Commercial	$26.68

Attachment B

MEMORANDUM

To:	Lesli Ellis, AICP CEP, Larimer County Community Development Director
From:	Josh Olhava, AICP, PCCP, Sr. Community Planner
Date:	August 15, 2022
Re:	Fee Study - Analysis, Findings and Next Steps

Background

In May 2022, Ayres *(a multidisciplinary planning and engineering firm)* was contracted by the County to complete a fee study analysis of the County's Development Review Application fees. This effort correlates with three of the six Guiding Principles established by the County: 1) Providing consistent quality customer services; 2) Promoting innovation, adaptability, and committing to continuous improvements; and, 3) Being good stewards of public resources.

In 1999 a fee policy was put in place that directed staff to charge a fee to applicants that would create revenue equal to 50% of the total indirect and direct costs of the Planning department and other departments involved in the review of a given application. In 2006, that policy was revisited and later removed in 2008. A holistic review and update of the current development review fee schedule has not been completed in over ten years, with only minor updates being completed in 2013/2014. The County currently uses the consumer price index for annual updates to the fee schedule. As with many government organizations, the fee schedule evolves to capture new and existing development application processes and procedures completed by County staff. This list continues to expand as the County works to keep up with evolving code requirements, needs of its' residents and businesses, and everchanging complexities of new development trends.

The approach to the analysis includes multiple interrelated parts including: a comparison and analysis of fees and processes to neighboring and "like" government entities *(referred to as entities and organizations)*; an evaluation of staff time to complete each process; and an analysis of overall cost recovery using existing fees and service costs.

Definitions and Interpretations:

- Consumer Price Index: a measure of the average change over time in the prices paid by consumers for consumer goods and services *(percentage based on geographic area)*
- Average Review Process: a typical review process assuming one resubmittal. Requires less technical back and forth or guidance from County staff *(fewer calls and emails).*

- Intensive Review Process: situations where staff invest additional hours to facilitate work with an applicant and their team *(i.e., multiple rounds of review, additional assistance and guidance through the process, and/or a larger scale project type)*
- Small-scale Project Types: appeals, variances, site analysis, zoning verifications, accessory living areas, pre-application conferences, and similar project types
- Technical Project Types: 1041 reviews, subdivisions, site plans, rezoning, special review, wireless facilities, and similar project types
- Service Cost: a calculation of the average staff time per division needed to complete a process, multiplied by the average hourly salary per division

Fee Study Process To-Date

Staff identified ten (10) organizations to compare fee schedules, philosophies related to development application fees, and approaches to updating fees. The comparison organizations include:

- Adams County
- Arapahoe County
- Boulder County
- Douglas County
- Routt County
- Weld County
- Estes Park
- Fort Collins
- Loveland
- Timnath

These organizations provide a range of philosophies and approaches based on overall size, organizational structure, and socio-economic conditions. Our team reviewed and compared over 150 individual application types and processes that are:

1) identified in the Development Review Fee Schedule;
2) processes completed by County staff without a fee *(i.e., zoning determinations, property inquiries, or similar tasks)*; and
3) processes other organizations charge for or administer that are not a part of the County's fee schedule *(i.e., specialty staff reviews, add-on development agreements, pre-application conferences, separated out engineering review fees, and more).*

In addition to the comparison analysis, Ayres facilitated two process mapping sessions working with County staff in Community Development/Planning, Engineering and Health. This effort afforded many benefits to Ayres and the County as part of the overall fee study. A few highlights include:

- Documenting a consistent process, recognizing individual process steps completed as part of the Land Division Sketch Plan and Preliminary Plat processes.

- Identifying areas for process improvement, which directly relates to overall service costs.
- Building the framework to calculate overall service cost by assessing average staff time and average staff salaries to complete each development application process.

Staff Process Mapping Workshops



A follow-up survey was conducted with staff in these divisions to populate total staff time to complete all development application types. We looked at both a typical or average review process and an intensive review process to gain a better understanding of the variables that impact overall service cost.

Comparison and Analysis

By themselves, fees are not an "apples to apples" comparison, nor are they the only element to consider when analyzing and updating fees. However, reviewing other organization's fee structures and approaches provide insight and a base to evaluate the County's processes and approach to fees. This analysis looks closely at Planning, Engineering and Administrative staff resources and overall service costs associated with the development review process.

An overview summary of each comparison organization is included as ***Appendix A*** at the end of this memorandum that highlights their philosophy on development review fees, observations of their current fee structure, and their approach to fee administration.

In most local level government organizations, Planning staff allocate a large overall percentage of time to customer service-oriented help and support when compared to development application review. Conversely, Engineering staff lean towards technical analysis and development application review as a higher percentage of time. In Larimer County, staff have identified that:

- Planning = approximately 60% customer service and 40% development review.
- Engineering = approximately 25% customer service and 75% technical analysis and review.

Customer service-oriented tasks typically have no fees assessed and are largely offset through County taxes and other funding mechanisms. As organizations work towards becoming fiscally responsible, we start to see a trend in recouping a larger percentage of overall development review service costs. For many years throughout the region, smaller communities used lower application fees as an economic incentive. As a result of increasing growth pressures, fees are being adjusted to offset overall service costs.

Based on our analysis, Planning's cost of services largely depends on the application type and complexity of the project. Engineering's cost of services are not explicitly recovered or accounted for under the current fee schedule, which results in a drastic decrease in overall service cost recovery when combined with Planning's review costs. The County's current fee schedule is intended to capture fees for both staff review costs and meeting notification and advertising costs. These two variables are further detailed in that:

- Staff review costs are directly impacted by project complexities, approval processes and the number of resubmittals required to finalize the project.
- Meeting notifications and advertising costs can vary greatly by a few hundred dollars depending on the size and type of project being reviewed. These costs can easily absorb a large percentage of the application fee paid by an applicant.

Key Observations:

- Many of the comparison organizations are beginning to factor in Engineering service costs as part of their fee structure and recouping a portion of those costs.
    - The County would benefit from adjusting their fee schedule to account for both Planning and Engineering service costs. While we are still working through final service cost calculations, it is estimated that the following fee schedule adjustments would take place when looking at a 90% cost recovery *(note there are 116 fee categories as part of this analysis)*:
        - 47% of the fees would increase by approximately $100 to $800.
        - 21% of the fees would increase by approximately $1,000 to $2,000.
        - 16% of the fees would increase by more than $2,000 and/or be subject to pass-through technical assistance fees *(current fees do not exist or are too low)*.
        - 16% of the fees would remain relatively unchanged.
- Processes that experience the greatest deficit with regards to Planning review service cost recovery include highly technical processes such as 1041 Reviews, standalone Agreements, Certificate of

Designations, Location and Extent Reviews, certain Special Reviews and Rezoning applications, and Master License Agreements for Wireless Facilities.

  - Increasing the base application fee, adding and implementing resubmittal fees *(at the 3rd submittal)*, passing meeting notification and publication costs on to the applicant, and establishing a policy for pass-through costs associated with outside technical assistance on highly technical / specialty project types *(such as 1041 reviews)* would help rebalance overall service cost recovery for the County.

- Approximately 20% of the current fee schedule land within a reasonable range of overall service cost recovery *(less than a $300 variation at the 90% cost recovery model)* but these fees are directly impacted by unknown variables such as meeting notifications, publication costs and resubmittals.
  - Establishing and implementing resubmittal fees *(at the 3rd submittal)* and passing meeting notification and publication costs through to the applicant will create an equitable balance between service cost recovery and customer service specific processes.

Most of the comparison organizations that experience a high level of service cost recovery utilize strategies such as hourly staff fees, resubmittal charges, separate or combined Planning and Engineering fee schedules, and pass-through costs for notifications and advertising of public hearings.

Like the County, most jurisdictions capture their development review fees at the time of application. The way fees are calculated varies between these entities as detailed in the appendix and summarized as follows:

- A couple organizations assess additional charges throughout the process or prior to approval to recoup service costs calculated using hourly rates. While accurate, these organizations note that special tracking software programs and tie-ins to financing software systems are needed. In addition, this approach places a high level of uncertainty to an applicant's overall application costs.
- Approximately one-third of the entities use an application deposit structure. While also accurate, this approach requires additional administration and finance support to work effectively.
- A large percentage utilize a base rate approach, similar to the County's current structure, based on recouping a calculated percentage of service costs. This approach provides greater certainty to an applicant in what to expect for their overall costs and reduces the complexities that come with administering a per hour or revolving deposit approach.

The challenge with any approach is that overall service costs are not regularly evaluated, and fees are not updated. Many of the jurisdictions we reviewed have not completed a holistic update in over five years. While some update their fees from time to time, they have not calculated their current service costs.

Overall service costs and fees are directly related to internal process efficiencies and utilizing staff time and resources effectively in a fiscally responsible manner. County staff have taken many efforts over the years to review and improve the way they work. To date, they have implemented the EnerGov software system, internal project management operations, and internal and external application handouts and guides. Staff continue to pivot roles and responsibilities based on influxes of application types and customer service needs. Staff are currently evaluating internal processes and procedures through process mapping exercises and implementing process improvement strategies that embrace a philosophy of continual and incremental improvement.

Ayres and County staff are seeking direction and feedback from the County Commissioners on the following Initial Recommendations and Approach to the current fee schedule update process. Following this step, Ayres will work closely with staff to develop a final report and fee schedule update for review and action.

Initial Recommendations for Consideration

1. ***Philosophy*** – Establish a Planning and Engineering cost recovery goal *(i.e., 90%)* based on calculated service costs.
    a. Capture fees to cover both Planning and Engineering reviews and administration of projects.
    b. A varied philosophy could be implemented based on application type and complexity *(i.e., large-scale and technical project types may be closer to a 90% cost recovery, whereas small-scale projects could be less)*
2. Assess notification and advertising costs as a separate pass-through fee to the applicant at the time notification requirements are determined *(similar to assessing recording costs)*.
3. Complete a development review service cost analysis for the Environmental Health Division and consider additional adjustments to the fee schedule at that time.
4. Establish a resubmittal fee beginning with the third submittal using a set percentage of the overall application fee *(i.e., 50% of the initial application fee)*.
5. Guide the planning director to assess lower fees to certain small-scale project types, by developing equity-based evaluation criteria based on project size and complexity. This might follow a similar approach to Fort Collins.
    a. A 25% calculation is used by Fort Collins. Ayres and staff will work to solidify the project types and evaluation criteria used when applying the reduced fee and present to the Commissioners for review.
6. Simplify and narrow down the fee schedule and processes administered by the County.
7. Maintain an annual update process using the Consumer Price Index. Note this may be in addition to a graduated fee increase approach, as determined by the Commissioners implementation approach.

8. Round all fees to the nearest whole dollar. This approach should be maintained with all annual updates for greater clarity and administration.
9. Conduct a follow-up review of the development review fee schedule and service costs every five years to re-evaluate the County's service cost recovery goal and make necessary adjustments.

Fee Update Approach

Two options include:

1. Implement the new fee schedule all at once to capture the cost recovery goals identified under Key Observations with a 90% cost recovery goal.
    a. Pros: Provides a one-time update to balance current service costs; Allows additional time for the County to evaluate the overall impact and balance of fees and cost recovery; Certain fees may be lowered resulting in a more immediate cost savings to some applicants.
    b. Cons: Certain fees may increase more substantially than others, which may surprise some stakeholders.

2. Gradually adjust the fee schedule proportionally over the next two to three years to capture the cost recovery goals identified under Key Observations with a 90% cost recovery goal.
    a. Pros: Allows time for applicants and the County to evaluate overall impacts based on economic challenges at the time; Allows the County the opportunity to assess the economic situation in a year and make further adjustments to the fees.
    b. Cons: Continues to place the cost recovery burden on the taxpayers rather than with the applicant; Could be seen as back-to-back years with potentially large adjustments, depending on the desired cost recovery goal(s).

Both approaches include internal administrative updates by staff to allocate the appropriate percentage of overall fees to both Planning and Engineering budgets.

Appendix A – Overview of Comparison Organizations

Adams County

Philosophy = Balance service cost for review and stay consistent with other organizations.

- Capture review fees upfront.
- Use a base fee approach, plus an automatic resubmittal fee applied to most application types *(excludes small-scale project types).*
- Incorporate a lower base fee and add a per lot fee for plat amendments and plat exemptions to balance complexity.
- Many small-scale project types have a lower fee and no automatic resubmittal fee applied.
- After three submittals, a resubmittal fee *(20% of the original base fee)* is applied.
- Engineering review is part of overall application costs.

Arapahoe County

Philosophy: Balance service cost review and stay consistent with other organizations.

- Capture review fees upfront.
- Use a deposit approach for specialty project reviews *(i.e., 1041 reviews and Special Districts)*.
- Utilize a Setup Fee for many application types to offset administrative processing time.
- Many processes use a per sheet cost ratio that allows smaller scale and less intensive projects to have a lower fee *(typically fewer plan sheets)*.
- Many small-scale project types have a lower fee and no per sheet ratio applied.
- After three submittals, a resubmittal fee *(per sheet or 50% of the original base fee)* is applied.
- Engineering review requires additional review costs from Engineering Fee Schedule.
    - Uses a base fee approach on many projects, but an acreage rate for complex projects.

Boulder County

Philosophy: Capture most of the overall review service cost.

- Capture base review fee upfront and calculate per hour additional review cost during the review.
- Use a base fee, plus a per hour staff rate for most application types.
- Base fee is higher for more complex project types and lower for smaller scale project.
- Certain small-scale projects only include a base fee, with no additional per hour staff rate applied.
- No set resubmittal rate since the staff hourly rate is applied throughout the project.

Douglas County

Philosophy: Stay consistent with others in the area, not specifically tied to service cost.

- Capture base review fees upfront, rely on permit stage for additional permit fees.
- Complex project types include a base fee and per lot calculation.
- Many small-scale projects have a low overall fee, or no fee applied.
- No set resubmittal rate.
- Engineering review required additional review costs from Engineering Fee Schedule.
    - Uses a base fee approach on most applications and an acreage calculation on site plans.

Routt County

Philosophy: Stay consistent with others in the area and account for planning staff review time.

- Capture review fees upfront.
- Use a base fee approach on most application types and a per lot fee for plats.
- After three submittals, a resubmittal fee *(50% of the original base fee)* is applied.

Weld County

Philosophy: Capture most of the review service cost.

- Capture review fees upfront.
- Use a base fee approach on all application types.
- Base fee increases with more lots and with additional building square footage.
- Additional per hour application assistance and consultant review determined by director.
- No set resubmittal rate.

Estes Park

Philosophy: No defined philosophy; fees are intended to offset some level of staff time.

- Capture review fees upfront.
- Use a base fee and deposit approach - unused fees returned to applicant; setup is not clear or easy to administer for staff.
- Many small-scale project types have a lower fee applied.
- No set resubmittal rate.

Fort Collins

Philosophy: Capture overall service cost on most application types; provide equity through a reduced Limited Scope Development Fee.

- Capture review fees upfront.
- Use a base fee approach on all application types.
- Created a Limited Scope Development Fee for defined small-scale project types and director determination that is at 25% of the regular application rate.
- Adjusted fees on smaller scale projects and more customer service-oriented processes to have a low overall fee or no fee.
- After three submittals, a base rate is charged on the fourth submittal.
- Engineering review is part of overall application costs.

Loveland

Philosophy: Capture most of the overall review service cost; exclude administrative processing costs

- Capture review fees upfront.
- Use a base fee approach on all application types; PUDs add a per acre add-on cost.
- Many small-scale project types have a lower fee applied.
- No set resubmittal rate.
- Engineering review is part of the overall application costs, additional fees applied for CD review and special reports.

Timnath

Philosophy: Capture overall service cost and set base application fees consistent with other organizations.

- Capture most review fees upfront.
- Use a base fee approach with an add-on deposit requirement.
    - A deposit agreement is established on every project; staff calculate estimated costs over two months for all reviewers and requires the deposit as part of the application.
    - Once service costs reach 85% of the deposit, additional funds are required.
- Base fees and calculated service costs are less for small-scale projects.
- Resubmittal rates are part of the initial deposit setup and require additional funds as applicable.
- Engineering review is incorporated with the deposit structure.