



Legislation Text

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Department of Sustainable Development Fee Study Update (B)

This is a request for the City Commission to hear a presentation from Berry Dunn McNeil & Parker, LLC and provide direction to staff.

The City of Gainesville retained Berry Dunn McNeil & Parker, LLC (BerryDunn) to conduct a Permit Fee Study for the Department of Sustainable Development. The focus of the project was reviewing all fees for services provided by the Department of Sustainable Development's Building and Planning Divisions in order to better understand the current cost of service delivery at the aggregate as well as individual process level and to ensure that the Department is able to maintain and in some areas enhance the provision of service into the future. The study findings were presented to the Commission at their June 17, 2021 meeting.

The Department's overall cost recovery rate for the services analyzed for this study was 55.3%. The study encompassed two divisions that provide fee-applicable services offered by the Department; after identifying and assigning revenue and expense, their specific cost-recovery rates were as follows: Building Division - 73.1%, and Planning Division - 9.9%.

At the June meeting, the City Commission approved a cost recovery policy for building and planning fees to meet cost-of-service goals and directed staff to prepare a proposed fee increase proposal for City Commission consideration. Staff retained Berry Dunn McNeil & Parker, LLC. to prepare the fee schedule update. The recommendations are contained within the attached report and are summarized as follows:

1. Approve a one-time 15% increase in building and planning division fees. Proposed fee levels reflect the desired revenue gains in order to achieve the Division's cost recovery targets for future fiscal years. This represents an approximate \$9 increase (\$60 current, \$69 proposed) for most baseline electrical/plumbing/gas/mechanical permits.
2. Consider adopting fees for current services provided by the Planning Division that are currently offered without charge in order to capture staff time/cost of service. Examples include zoning verification letters, food truck permits, and certificates of appropriateness.
3. Add the newly adopted fees to the regular Appendix A fee schedule and conduct periodic cost-of-service updates to maintain consistency with fee levels/service delivery.

Strategic Connection:

Goal 5 of the City's Strategic Plan encourages the City to foster neighbor satisfaction with city services and service response. The Department of Sustainable Development prides itself on providing a high level of service to our neighbors. Conducting routine analysis of cost of service and calibrating fees with that level of service will ensure that the Department will continue to support this goal into the future.

BerryDunn estimates that the Building Division might realize a sustained 4%- 6% increase in the overall divisional cost recovery rate for each additional \$250,000 of revenue received.

BerryDunn estimates that the Planning Division might realize minimal revenue gains should it increase select

fees in conjunction with Building Division fee increases. It is unlikely, due to the unique nature of services provided and current operational organization, that the Division will ever recover more than 20.0% of its total cost to provide services.

The City Commission 1) receive a report and presentation from Berry Dunn McNeil & Parker, LLC and 2) Adopt the proposed fee recommendations.