



PLANNING AND DEVELOPMENT DEPARTMENT

DATE: February 4, 2021

TO: NICOLE KISSAM, DIRECTOR
NBS GOVERNMENT FINANCE GROUP

FROM: JENNIFER K. CLARK, DIRECTOR
PLANNING AND DEVELOPMENT DEPARTMENT
CITY OF FRESNO

**SUBJECT: REQUESTED: REVIEW AND LETTER OF CONCURRENCE TO THE
PROPOSED 2021 REVISIONS OF SELECT PLANNING AND
DEVELOPMENT FEES**

City of Fresno Planning and Development staff propose several revisions to the current Development Master Fee Schedule as listed herein. The revisions proposed are categorized in two ways: Revisions to existing fees previously included in the 2019 Master Fee Study; and Established fees not previously studied. Staff requests NBS review the proposed revisions, the methodology used, and provide a brief letter agreeing with the consistency of the practices used in the 2019 Master Fee Study.

The following details the methodology used to calculate each of the proposed fees:

Each development fee is established utilizing the framework defined in Article XIII C of the California State Constitution, as well as California Government Code section 66014 which is specific to development permitting fees. Under this legal framework, a fee may not exceed the estimated reasonable cost of providing the service or performing the activity. In order to calculate these fees, a time-on-task study may be performed to obtain an estimated or actual average number of hours to complete the activity associated with the fee. This is multiplied by a fully burdened hourly rate and the resulting number is the proposed fee for full cost recovery.

Staff followed this methodology, as modeled in the 2019 fee study conducted by NBS. As the study was conducted fairly recently, staff utilized the fully burdened hourly rates as calculated by NBS; therefore the changes herein reflect time-on-task revisions. The following details each proposed revision (please note, the parenthesis reference the attached excel spreadsheet):

Revisions to existing fees previously included in the 2019 Master Fee Study

- **Occupancy/Penalties (C2-C9):** No new calculations. Revised to a rounded number as this is a penalty and not subject to a cost of service fee study.
- **Penalty (C19-21):** No new calculations. Revised to a rounded number as this is a penalty and not subject to a cost of service fee study.
- **Mechanical Plumbing and Electrical – Stand Alone Projects Simple Group (D11-15):** These fees' time-on-task studies were retested with the guidance of the newly on-boarded Building Official. Originally staff believed the time-on-task for the issuance of these permit types was only 0.5 hours of staff time. After discussion and retesting, it was determined actual time-on-task was 0.75 hours. Therefore, utilizing the previously determined fully burdened hourly rate for Inspection Services (\$119.00/hr; page 13 of Fee Study), staff calculated the new fee of \$89.00.
- **Complex Mechanical Stand Alone Permits – Onsite Sewer/Water/Storm Drain 6" and Over (D16-18):** These fees' time-on-task studies were retested with the guidance of the newly on-boarded building official. Originally staff believed the time-on-task for the issuance of these permit types was 6 minutes of staff time per linear/foot. After discussion and retesting, it was determined actual time-on-task was less than 1 minute per linear foot. Therefore, utilizing the previously determined fully burdened hourly rate for Inspection Services (\$119.00/hr; page 13 of Fee Study), staff calculated the new fee of \$1.58 per linear foot.
- **Conditional Use Permit (C22-23):** Staff proposes the re-categorization of the Conditional Use Permit section similar to that of the Development Permit section due to the ability to process both permit types similarly and should be distinguished similarly into separated levels of Major, Moderate, and Minor applications. By following this structure, the time-on-task tests conducted by staff also indicate that the time to process the applications is similar, therefore staff propose to utilize the calculations and fee estimates provided by NBS during the 2019 Fee Study for Development Permit fees.
- **Environmental Impact Report – Focus, Program (C24-25):** After implementing new processes and revisiting the time-on-task for this application type, staff identified the need to revise this fee to reflect a total time-on-task to 124 hours and 245 hours, respectively. Therefore, utilizing the previously determined fully burdened hourly rate for the Current Planning division, staff calculates the fee to be \$23,188 and \$45,815, respectively.

Subject

Date (consistent with first page)

Page 2 of 2

- **Planned Development – Standalone (C26):** After implementing new processes and revisiting the time-on-task for this application type, staff identified the need to revise this fee to reflect a total time-on-task to 62.25 hours. Therefore, utilizing the previously determined fully burdened hourly rate for the Current Planning division, staff calculates the fee to be \$11,610.
- **Building Plan Check – Planning Review (C28):** Revision of the text to revert previous fee and the fee proposed in 2019 via the fee study. No new calculations.

Established fees not previously studied

- **Temporary Event Structure Permit and Inspection / per hour (C10):** Established fee that was erroneously not included by staff in the 2019 study. Time-on-task study was conducted consistent with the procedures followed in the 2019 study and it was determined that in order to issue this permit type, typically it required at minimum 1 hour of Inspector time and it is reasonable to assume as the complexity of the structure increases, the time-on-task would proportionally increase. Therefore, staff utilized the previously determined fully burdened hourly rate for Inspection Services (\$119/hr, page 13 of Fee Study) and calculated the proposed fee to \$119/per hour.
- **Residential Tract Update Review (C27):** Established fee that was regularly charged under a miscellaneous fee category that staff proposes to codify as its own named fee. After conducting a time-on-task assessment, it was discovered that it took on average 3 hours of staff time in the Permit Center to issue this type of review. Therefore, staff utilized the previously determined fully burdened hourly rate for the Permit Center (\$109/hr; page 12) and calculated a fee of \$327.

Attachment(s): MFS Update FY21_v2

MASTER FEE SCHEDULE SUBMISSION SUMMARY FY 2022

Department	MFS Fee Description	MFS Fee Detail	MFS Notes	Type of Change	Current Fee	New Fee	Fee Change	Comments/Recommendation	Other Notes	New amount of hours (per staff)	Labor Rate Used	Fee Calculation	
	Occupancy	Certificate of Occupancy / each (multifamily / Commercial only)		Increase	\$53.50	\$54.00	\$0.50	2019 NBS Fee Study. Majority Implemented in 2021 Update.					
	Penalty	Incorrect address / location given by applicant / per trip		Increase	\$53.50	\$54.00	\$0.50	These fees under "Other Fees related to New Construction, Commercial Tenant Improvements & Residential Additions"	These corrections are based on the fee study, they were missed in the initial update.				
		Premature inspection all (work not ready) / per trip		Increase	\$53.50	\$54.00	\$0.50						
		Reinspection other than entitled calls / per trip		Decrease	\$80.30	\$80.00	(\$0.30)						
	Occupancy	Certificate of Occupancy / each (multifamily / Commercial only)		Increase	\$53.50	\$54.00	\$0.50	2019 NBS Fee Study. Majority Implemented in 2021 Update.					
	Penalty	Incorrect address / location given by applicant / per trip		Increase	\$53.50	\$54.00	\$0.50	These fees under "Other Fees related to Miscellaneous Items"	These corrections are based on the fee study, they were missed in the initial update.				
		Premature inspection all (work not ready) / per trip		Increase	\$53.50	\$54.00	\$0.50						
		Reinspection other than entitled calls / per trip		Decrease	\$80.30	\$80.00	(\$0.30)						
	Temporary Event Structure Permit and Inspection / per hour			New	\$0.00	\$119.00	\$119.00	NBS Fee Study current = 12,235 projected = 12,852	This fee has always been charged, it was missed in the initial update.	1	\$	119 \$ 119	
	Mechanical Plumbing and Electrical - Stand Alone Projects	Simple M, P, E Single or Combination Permits		Increase	\$59.00	\$89.00	\$30.00	NBS Fee Study. (2019 study plus 1% 2021 CPI)	The amount time to complete the inspection was adjusted.				
		Simple Mechanical Items		Increase	\$59.00	\$89.00	\$30.00						
		Simple Plumbing Items		Increase	\$59.00	\$89.00	\$30.00						
		Simple Electrical Items -Systems		Increase	\$59.00	\$89.00	\$30.00						
		Simple Electrical Items - Units		Increase	\$59.00	\$89.00	\$30.00					0.75	\$
		Complex Mechanical Stand Alone Permits - Onsite Sewer 6" & Over (per lineal ft)		Decrease	\$12.00	\$1.58	(\$10.42)	NBS Government Finance Group Fee Study calculation - includes time to physical inspect	The amount time to complete the inspection was adjusted.	0.0134	\$	118 \$ 1.58	
		Complex Mechanical Stand Alone Permits - Onsite Water 6" & Over (per lineal ft)		Decrease	\$12.00	\$1.58	(\$10.42)	NBS Government Finance Group Fee Study calculation	The amount time to complete the inspection was adjusted.	0.0134	\$	118 \$ 1.58	
		Complex Mechanical Stand Alone Permits - Onsite Storm Drain 6" & Over (per lineal ft)		Decrease	\$12.00	\$1.58	(\$10.42)	NBS Government Finance Group Fee Study calculation	The amount time to complete the inspection was adjusted.	0.0134	\$	118 \$ 1.58	
	Penalty	Incorrect address / location given by applicant / per trip		Increase	\$53.50	\$54.00	\$0.50	2019 NBS Fee Study. Majority Implemented in 2021 Update.	These corrections are based on the fee study, they were missed in the initial update.				
		Premature inspection all (work not ready) / per trip		Increase	\$53.50	\$54.00	\$0.50	These fees under "Other Fees related to Mechanical, Plumbing and Electrical"					
		Reinspection other than entitled calls / per trip		Decrease	\$80.30	\$80.00	(\$0.30)						
		Minor Revised exhibit / hourly rate		New	\$0.00	\$168.00	\$168.00			Based on the File Stuffer rate in NBS Study.			

MASTER FEE SCHEDULE SUBMISSION SUMMARY FY 2022

Department	MFS Fee Description	MFS Fee Detail	MFS Notes	Type of Change	Current Fee	New Fee	Fee Change	Comments/Recommendation	Other Notes	New amount of hours (per staff)	Labor Rate Used	Fee Calculation
	Conditional Use Permit (CUP)	Moderate Revised exhibit (minor) / per request (no routing or limited routing for unsubstantial changes to Fire or DPW only required) minor Moderate RE includes: Reapplication fee for subsequent owners, Fences on a single-family reversed corner lot, Large-family day-care home (FMC 12-306-N-42) Plus hourly consulting fee as required (all amendments) 1 hour minimum*		Text/Increase	\$492.00	\$532.00	\$40.00	Adopting a new levels of review for CUPs to offer greater flexibility for handling customer requests.	Based on NBS Study Revised exhibit (minor)			
	Environmental Impact Report (EIR)	Focus - minimum deposit		Decrease	\$67,421.00	\$23,188.00	(\$44,233.00)	Calculation for deposits based on staff hours.	(See attached calulation)	124	\$	187 \$ 23,188
		Program - minimum deposit		Decrease	\$97,448.00	\$45,815.00	(\$51,633.00)			245	\$	187 \$ 45,815
	Planned Development - Standalone			Increase	\$9,325.00	\$11,610.00	\$2,285.00	NBS Consultant Fee Study	This correction is based on the fee study, it was missed in the initial update.			
	Miscellaneous Items including remodels, minor alterations	Residential Tract Update Review		New	\$0.00	\$327.00	\$327.00	NBS Consultant Fee Study	This correction is based on the fee study, it was missed in the initial update.	3	\$	109 \$ 327
	Building Building Plan Check - Offsite Improvements- Planning Review	REVISED: Building Plan Check - Offsite Improvement, Commercial \$300, Residential \$373 (Public Works Fees) ADD: Building Plan Check - Planning Review, Commercial \$47.00, Residenatil \$284		Text/New	Commercial \$0 Residential \$0	Commercial \$47 Residential \$284	Commercial \$47 Residential \$284	NBS Consultant Fee Study	The fee was inadvertantly change during the last Master Fee Schedule Update, it is a Public Works fee that should revert back to the original fee. We are also asking to add a fee, Building Plan Check - Planning Review for Commercial and Residential that was included in the Master Fee Study.			