



CITY OF DURHAM | DURHAM COUNTY
NORTH CAROLINA



Date: June 20, 2016
To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Steven L. Medlin, AICP, Planning Director
Subject: Proposed Fee Ordinance Amendments – City-County Planning Department Fees

Summary. The Planning Department is recommending the addition of several new fees and amendment of other fees found in Chapter 6 of the Fee Schedule of the City of Durham (see Attachment 1 [Proposed Fee Ordinance]).

The purpose of this request is twofold: to better align fee revenues with the cost of services for better cost recovery rates, as called for in the FY2016-2017 fiscal year budget development guidelines; and to generate sufficient revenue to fund personnel and operations costs associated with the development of a proposed Development Services Center (DSC) during FY2016-2017).

Current fee revenue reflects less than 67.5 percent (%) of cost recovery. While no comprehensive analysis of all development-review-related costs across the eleven (11) City Departments involved in the development review process has been undertaken, Planning staff believes total cost recovery for all development review plan types processed by the Planning Department is well below fifty (50) percent (%) of total city costs associated with development review activities. The proposed new and amended fees are anticipated to generate approximately \$220,000 in new revenues (over the FY2015-2016 baseline) during FY2016-2017 if adopted as proposed.

Recommendation. Hold the required public hearing and adopt the attached fee ordinance.

Background. Planning fees have not been adjusted since March of 2013 (Ordinance 14414, adopted March 18, 2013). Since that time, the volume of most Planning case types has increased by over 30 percent despite staffing levels that remain at or below FY2012-2013 levels.

The following provides a summary of proposed changes to the Fee Ordinance (see Attachment 1 for full fee ordinance proposal):

1. Zoning, Site Plan fee categories (“levels”), Vested Rights determinations, and the Preliminary Plat fee have been modified to more fully reflect the amount of staff time spent on each plan level; and

2. A Preliminary Plat Amendment fee category has been added. Not having a category for preliminary plat amendments in the past has caused the need for fee determinations to be made in an effort to not charge a full Preliminary Plat review fee for an amendment that may only be adding phase lines and or minor modifications to lots; and
3. Minor Plat fee has been added as a new fee ; and
4. Signage fees have been added as a new item, as this was a new responsibility of the Planning Department, effective in FY2015-2016; and
5. Added a category for several rezoning types *without* a development plan at a lower fee than *with* a development plan; and
6. Added consolidated annexations to the Planning fees, since these fees were currently found under the Budget Department’s portion of the fee schedule, and increased fee to better reflect the amount of staff time spent on this plan type; and
7. Added a category and fee for Comprehensive Plan Text Amendment; and
8. Added a fee under Board of Adjustment (BOA) for Reasonable Accommodation applications (new plan type); and
9. Increased the fee for Vested Rights Determination applications; and
10. Added a fee for Historic District Designation; and
11. Administrative Certificate of Appropriateness (COA) renamed Minor Works and fee increased; and
12. Existing Minor COA merged with Major COA; called Major Works now; base fee unchanged but add-on fees for specific scope of work are new (i.e. demolition and new construction); former legal ad requirement replaced with sign posting per UDO text amendment; and
13. New Master COA fee (currently no fee to capture this type of review that can cover multiple locations across the jurisdiction); and
14. New modifier (add-on) to both Minor Works and Major Works for retroactive applications (doubles the base fee)

Issues. Staff have identified two issues for Council consideration, as follows:

Fees in North Carolina peer cities and cost recovery : As depicted in Attachment 2 (Summary of Major Planning Department Fees – Durham Peer Jurisdictions) Durham’s development review fees are already equal to or higher than many of our North Carolina peer jurisdictions, and we are proposing modest increases in these fees. While many local governments have made a policy decision to subsidize the cost of development review to keep fees lower, staff has proposed a small fee increase to better reflect City Council’s stated goal of having fees for services better align with cost of services, when possible.

Stakeholder outreach and public hearing: Pursuant to North Carolina General Statutes (NCGS) Section 160A-4.1, notice of the proposed fee modifications has been provided. Additionally, Planning Department staff has reached out to development community representatives to solicit additional feedback, over-and-above the aforementioned legal requirements.

Fiscal Impact. This proposal is anticipated to generate approximately \$220,000 in additional fee revenue over the initial Planning Department FY2016-2017 fee estimate of \$1,000,000.

SDBE Impact. No known SDBE impact.

Staff Contact. Patrick O. Young, AICP, Assistant Planning
Director, Patrick.Young@Durhamnc.gov or 919.560.4137 x28273

Attachments

Attachment 1, Ordinance to Change City-County Planning Department Fees

Attachment 2, Summary of Major Planning Department Fees – Durham Peer
Jurisdictions