

TAB 2

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yes
esb

Point Paper

**City Application Fees
City Commission Workshop**

Background:

Because ZNS provides professional services in a number of jurisdictions, we encounter application fees on a regular basis. Some jurisdictions have adopted a philosophy that application fees should cover the full cost of the application including staff review fees, advertising costs, and administrative charges. Those application fees are high, usually many thousands of dollars. Other jurisdictions take a more conservation approach and develop fee schedules that will include the average direct costs, but do not go as far as "making every development pay the full cost of the application". In many cases, there will be a small project/large project difference or, in some cases, the fee is based on the number of units or the number of square feet proposed.

We also work in a few jurisdictions in which application fees are kept low in order to entice development within the jurisdiction. Through ZNS' work with private clients for more than 30 years, our observation is that developers are far more concerned about processing time than application fees so long as the application fee is not unreasonable.

If there is an interest on the part of the City Commission in reviewing the application fee schedule in order to adjust the rates and generate revenue for the City as development returns, the first step in the process would be to compare several other jurisdictions fees with the City's current fee schedule.

Budget Impact:

Increase to the City's revenue.

Staff Recommendation:

Request the comparison be prepared for Commission review.

Action Required:

Request the comparison be prepared for Commission review.