

City of Colorado Springs Development Application Fees & Charges for the Land Use Review Division

January 23, 2017



Appeal Fee Options

1. Adopt the resolution with no modifications to “Appeal of an Administrative Action” and “Appeal to City Council” fees and review and potentially further adjust the fee schedule in 2 years.
2. Adopt the proposed resolution with modifications to adjust “Appeal of an Administrative Action” and “Appeal to City Council” fees to \$250.
3. Adopt the proposed resolution with modifications to not adjust the current fee schedule for “Appeal of an Administrative Action” and “Appeal to City Council”. (Keep both fees at \$176)

Agenda

- GFOA Best Practices
- City user fee policy overview
- Land Use Review fee analysis
- Comparable cities

GFOA Best Practices (Establishing Government Charges and Fees)

1. Consider applicable laws and statutes before the implementation of specific fees and charges
2. Adopt formal policies regarding charges and fees
3. Calculate the full cost of providing a service in order to provide a basis for setting the charge or fee
4. Review and update charges and fees periodically based on factors such as the impact of inflation, other cost increases, adequacy of cost recovery, use of services, and the competitiveness of current rates
5. Utilize long-term forecasting in ensuring that charges and fees anticipate future costs in providing the service
6. Provide information on charges and fees to the public

City User Fee Policy

- Previously, no user fee policy
- Provides general guidelines for establishing a fee structure for all departments of the City
- Cost recovery levels identified to provide guidance for all departments of the City
- Establishes review process for fee policy

User Fee Policy - Cost Recovery Levels

Cost Recovery Levels	Cost Recovery Percentage Range	Policy Considerations
Low	0% - 29%	<ul style="list-style-type: none"> • There is a community-wide benefit to the service • The fee will discourage compliance with regulatory requirements • Collecting fee is not cost effective • Public goods
Medium	30% - 69%	<ul style="list-style-type: none"> • Services having factors associated with the low and high cost recovery levels
High	70% - 100%	<ul style="list-style-type: none"> • The service has attributes similar to services available in the private sector (therefore the government should not subsidize a service that the private sector provides) • Those individuals receiving the benefit of the service pay the cost of the service • The goal is to discourage use of a service or at least limit demand • The service is regulatory in nature

Planning - LUR Fee Analysis Results

2017 Budgeted Fee Revenue	Estimated Cost of Fee Activity	Difference	% Cost Recovery
\$393,994	\$1,040,000	\$(646,006)	38%

Fee Cost Recovery Levels

100% Cost Recovery	90% Cost Recovery	70% Cost Recovery
\$1,040,000	\$936,000	\$728,000

Planning - LUR fees have characteristics of cost recovery levels in the 70-100% range.

Potential Revenue Impact

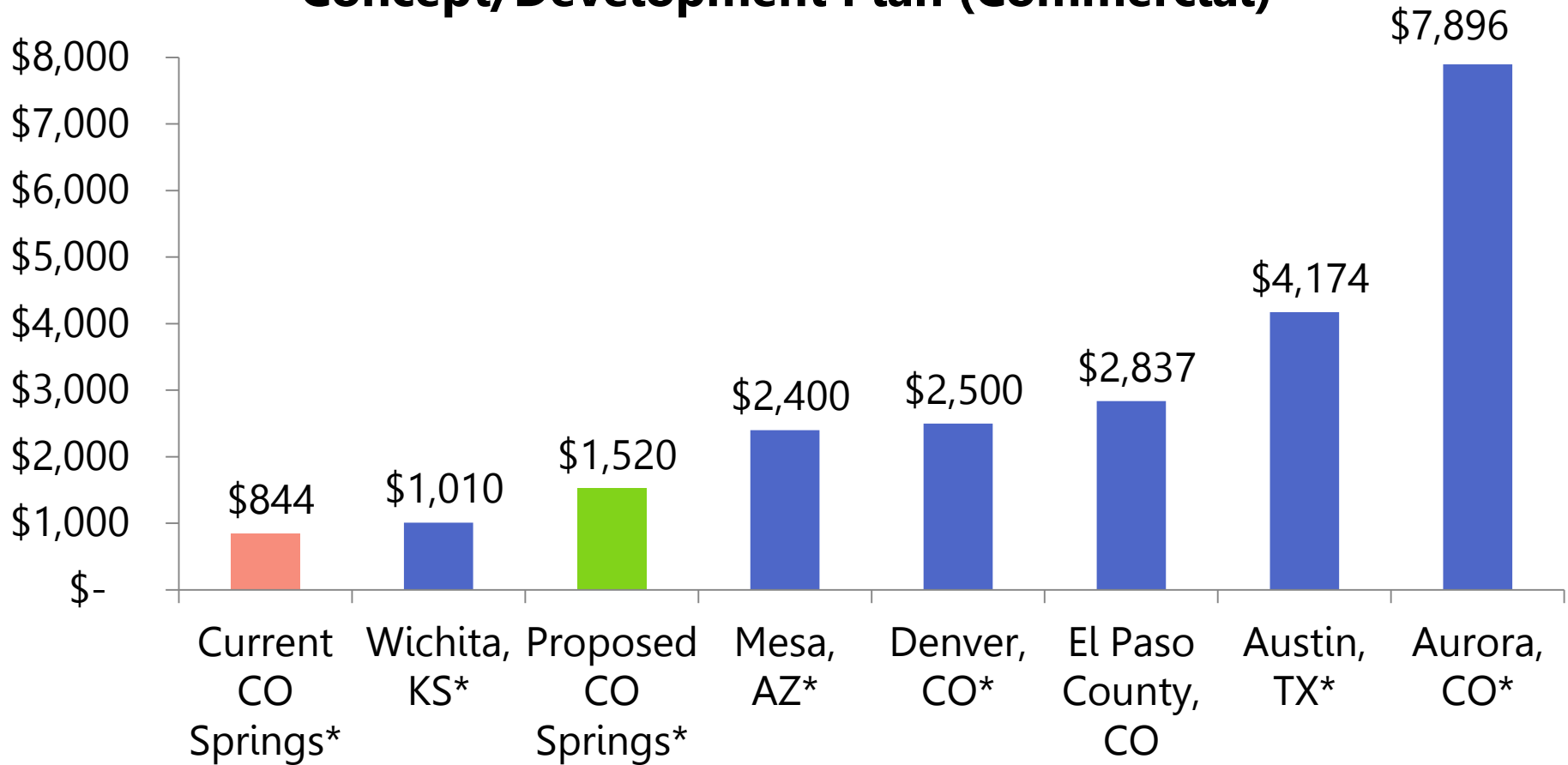
Potential 2017 Revenue	Proposed Cost Recovery*
\$728,000	70%

*Recommended based on stakeholder input.

Comparable Cities



Concept/Development Plan (Commercial)

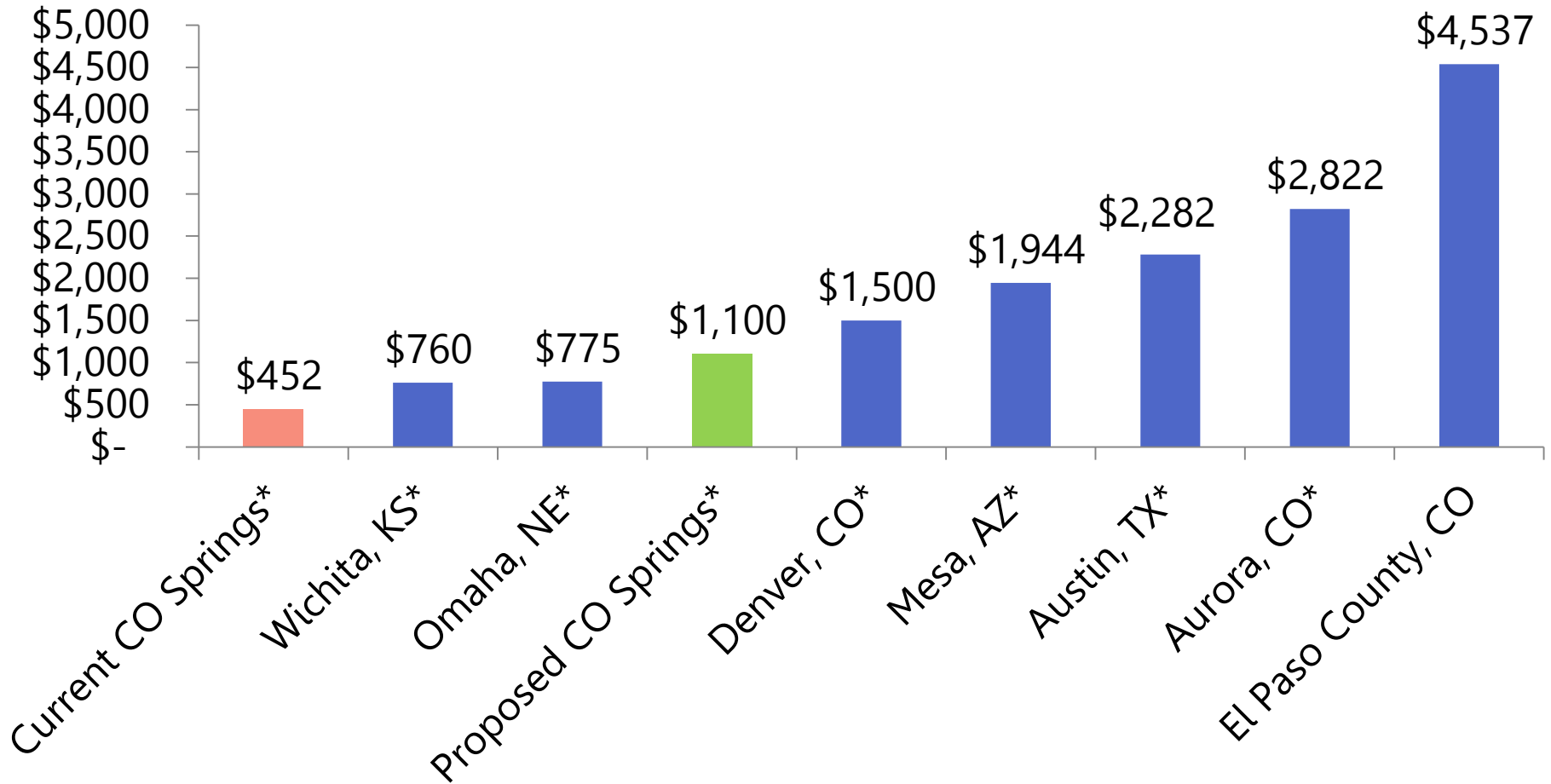


*Base Fee

Comparable Cities



Subdivision Plat (Residential)

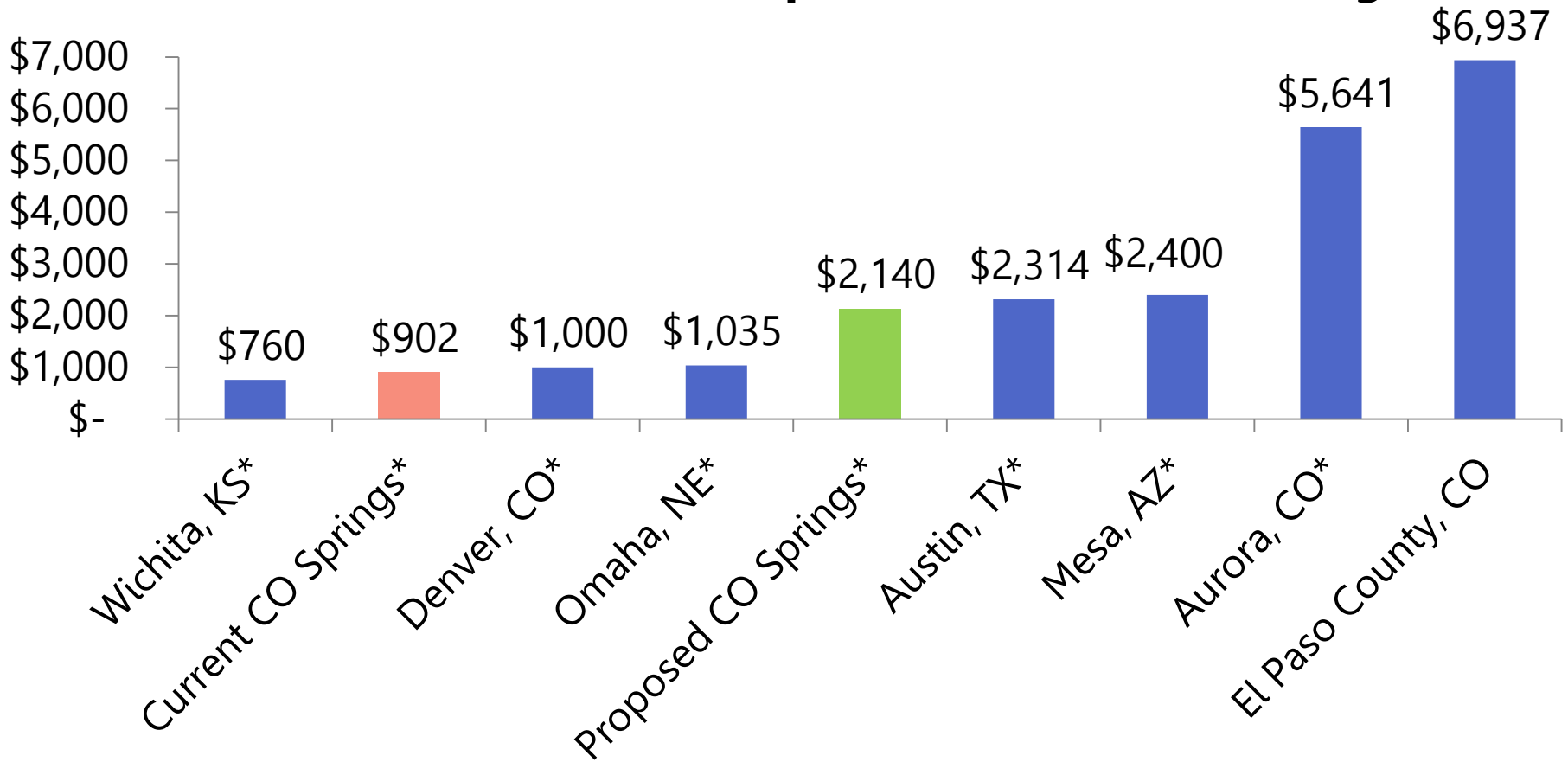


*Base Fee

Comparable Cities



Planned Unit Development (PUD) Zone Change

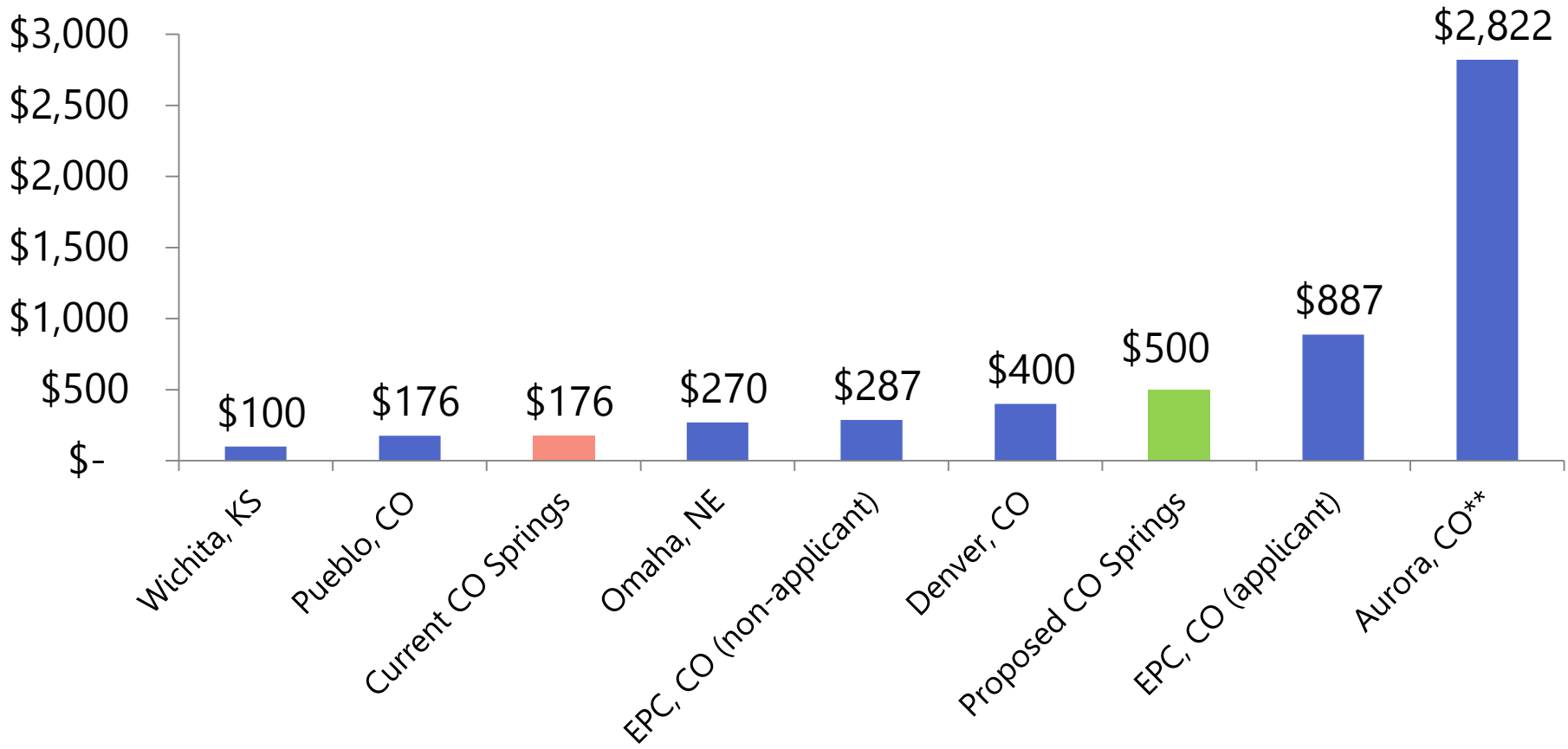


*Base Fee

Comparable Cities



Appeal of an Administrative Action*



*Not all cities/counties have similar appeals processes compared to the City of Colorado Springs.

**Flat fee charged to applications that require at least one hearing – no additional fee for appeals or call-ups.