

TOWN OF GILBERT
NOTICE OF INTENT TO INCREASE CERTAIN DEVELOPMENT SERVICES FEES

Pursuant to A.R.S. § 9-499.15, the Town of Gilbert, Arizona (“Gilbert”) hereby gives notice that it may adopt a resolution to increase certain Development Services fees. The Gilbert Town Council will consider this matter at its regular Town Council meeting to be held at the Gilbert Town Council Chambers, located at 50 East Civic Center Drive, Gilbert, Arizona 85296 on **June 21, 2018, at 6:30 p.m.** Following such consideration, the Town Council may approve, disapprove, or modify said ordinance/resolution. Information about the proposed fees is available at the Town Clerk’s office during normal office hours, Monday through Thursday, 7:00 a.m. – 6:00 p.m., and on Gilbert’s website at www.gilbertaz.gov.

REPORT SUPPORTING INCREASED SERVICE FEES

Background:

Gilbert’s current Development Services fees schedule was last materially updated in 2008. Staff recently conducted a cost of services study to analyze the current cost to provide services.

Methodology:

The proposed fees are intended to recoup costs associated with each service. The study for Swimming Pool-Residential, Standard Home Review, Design Review (projects above 5 acres), Design Review Amendment, and Pre-Application was conducted by modeling the time required to perform a service for each staff member involved in that service. That time (in hours) was multiplied by the hourly wage plus benefits and administrative overhead. A total of all staff member time and cost arrived at the cost to perform the service.

Full cost of the Pre-Application fee is \$2,598 per application. Staff encourages use of the pre-application process which saves both customer and staff time and re-work during the full application process.

The Engineering Plan Check 1st fee was modeled in a similar fashion as the fees mentioned above but the total staff member time and cost were annualized and divided by the annual number of pages reviewed to arrive at a cost per page.

The fees for Work Zone Traffic Control, Traffic Haul Route, Traffic Sign Installation, and Traffic Striping Installation were modeled by using the total of each permit issued in one year to determine proportion of time the staff person spent on each permit type. The annual staff salary plus overhead was then multiplied by the number of annual permits issued to arrive at a rate per permit.

Quality Assurance fees were calculated by dividing the cost of the inspection program by the total square feet of pavement accepted.

Staff recommends the Council adopt the August 2017 International Code Council (ICC) Building Valuation Data table which is used to determine building value upon which building

permit fees are calculated. Gilbert currently employs the ICC data from 1999 which undervalues building projects by—in some cases—nearly one hundred percent.

The Building Permit valuation tiers have been modified to better conform to current building values. The present valuation upper limit is \$100,000 and greater. Staff recommends a structure with an upper limit of \$1,000,000 and greater. The proposed structure matches that of Chandler, Tempe, Glendale, and Peoria. Building permit fees were adjusted to remain revenue-neutral.

Proposed Fees:

| Description | Current Fee | Actual Cost to Provide Service | Proposed Fee |
|--|--|---------------------------------------|------------------------------|
| Swimming Pool - Residential | \$300 | \$324 | \$324 |
| Standard Home Review | \$37 | \$68 | \$68 |
| Engineering Plan Review 1st | \$295 per page for pages 1-20 and \$150 per page for the 21st page and greater | \$324 per page | \$324 per page |
| Design Review (projects above 5 acres) | \$3,660 + \$91.50 per acre in excess of 5 net acres | \$6,825 | \$6,825 |
| Design Review Amendment | \$615 | \$2,710 | \$2,710 |
| Pre-Application | \$200 | \$2,598 | \$2,598 |
| Work Zone Traffic Control | \$150 | \$148 | \$148 |
| Traffic Haul Route | \$88 | \$276 | \$276 |
| Traffic Sign Installation | \$88 | \$363 | \$363 |
| Traffic Striping Installation | \$88 | \$363 | \$363 |
| Quality Assurance | New | \$0.17 per sq yd of pavement | \$0.17 per sq yd of pavement |

Total Valuation Fee
GILBERT (Current) - 1999 Valuation

| | |
|--------------------------|--|
| \$1 to \$1,100 | \$37.00 |
| \$1,100.01 to \$2,000 | \$23.50 for the first \$500 + \$2.12 for each additional \$100 or fraction thereof, to and including \$2,000 |
| \$2,000.01 to \$25,000 | \$47.00 for the first \$2,000 + \$8.69 for each additional \$1,000 or fraction thereof, to and including \$25,000 |
| \$25,000.01 to \$50,000 | \$247.75 for the first \$25,000 + \$6.68 for each additional \$1,000 or fraction thereof, to and including \$50,000 |
| \$50,000.01 to \$100,000 | \$401.25 for the first \$50,000 + \$4.48 for each additional \$1,000 or fraction thereof, to and including \$100,000 |
| \$100,000.01 and up | \$607.50 for the first \$100,000 + \$3.94 for each additional \$1,000 or fraction thereof |

GILBERT (Proposed) - 2017 Valuation

| | |
|--------------------------|---|
| \$1 to \$500 | \$68.00 |
| \$501 to \$2,000 | \$68.00 for the first \$500 + \$0.80 for each additional \$100 or fraction thereof, to and including \$2,000 |
| \$2,001 to \$25,000 | \$80.00 for the first \$2,000 + \$5.57 for each additional \$1,000 or fraction thereof, to and including \$25,000 |
| \$25,001 to \$50,000 | \$208.11 for the first \$25,000 + \$4.06 for each additional \$1,000 or fraction thereof, to and including \$50,000 |
| \$50,001 to \$100,000 | \$309.61 for the first \$50,000 + \$2.14 for each additional \$1,000 or fraction thereof, to and including \$100,000 |
| \$100,001 to \$500,000 | \$416.61 for the first \$100,000 + \$1.98 for each additional \$1,000 or fraction thereof, to and including \$500,000 |
| \$500,001 to \$1,000,000 | \$1,208.61 for the first \$500,000 + \$1.96 for each additional \$1,000 or fraction thereof, to and including \$1,000,000 |
| \$1,000,001 and up | \$2,188.61 for the first \$1,000,000 + \$1.94 for each additional \$1,000 or fraction thereof |

DATE TO BE POSTED ON GILBERT WEBSITE: April 19, 2018

Gilbert Town Clerk

Lisa Maxwell