



**STAFF REPORT
TO THE
BOARD OF SUPERVISORS**

**COMMUNITY DEVELOPMENT DIVISION
PLANNING AND ZONING
FEE STUDY**

December 1, 2013

I APPLICATION

Applicant Name	Gila County, Community Development Division
Applicant Address	745 Rose Mofford Way, Globe, AZ
Site Address	N/A
APN Number	N/A
Current Zoning Designation	N/A
Current Comprehensive Plan Designation	N/A
Application Number	ZOA-13-01

II PURPOSE & DESCRIPTION

The purpose of this application is to request consideration from the Board of Supervisors to amend our current fee structure for planning & zoning services provided by the Division.

III PRIMARY ISSUE OR ISSUES TO CONSIDER

The Community Development Division currently collects fees for several services that we provide to our customers. These services include:

1. Rezoning Applications
2. Conditional Use Permits
3. Variance
4. Use Permits
5. Administrative Variance
6. Preliminary Plat
7. Final Plat
8. Development Plan
9. Comprehensive Master Plan
10. Site Plan Review
11. Minor Land Division
12. Permitting and Plan Review for Wastewater Systems
13. Subdivisions etc.

The Community Development Division is funded by the General Fund. The fees collected offset some of the general fund expenditures for the Division. The purpose in collecting fees is to charge the customer when we are providing a direct service that benefits primarily that customer with less benefit to the general public. I say “less public benefit” because there is some benefit to the public to have buildings and accessory uses established in the best public interest.

Another issue to consider is, should the fees we establish affect our competitiveness with other counties and municipalities? When development impact fees were first established, some communities were accused of setting their fees so high that they actually became a deterrent to growth and people would build elsewhere to avoid these high costs.

There are issues with the Arizona Revised statutes that must come into play when trying to ascertain what the appropriate fee should be. The following exhibit is taken directly from the Arizona Revised Statutes and pertains to the collection of service fees.

11-251.08. County fee for service authority; alternate fee schedule; fee limits; adoption procedures

- A. In addition to any other county power or authority the board of supervisors may adopt fee schedules for any specific products and services the county provides to the public. Notwithstanding fee schedules or individual charges in statute, a board of supervisors may adopt an additional charge or separate individual charge.
- B. Any fee or charge established pursuant to this section must be attributable to and defray or cover the expense of the product or service for which the fee or charge is assessed. A fee or charge shall not exceed the actual cost of the product or service.
- C. Before adoption of a fee for service or an additional or separate charge pursuant to this section, the board of supervisors shall hold a public hearing on the issue with at least fifteen days' published notice.

IV BACKGROUND

Our revenues for 2011 are only 27% of what they were in 2007. While that is significant in regards to our overall economic situation it is not the focus of this study. Current staffing levels are down from 2007. The focus of this study is to determine how appropriate and adequate our fees are to the cost we incur to provide services to our applicants.

By use of the word appropriate I mean how our fees compare with fees from other counties in Arizona and some of the municipalities. It is not our intent to create a situation where our fees act as a deterrent to growth; we should continue to be competitive with other governmental jurisdictions.

By use of the word adequate I mean how the fees we collect actually relate to the cost to provide services. Are we subsidizing the cost to provide service to the individual by using general fund resources unnecessarily? We don't want to collect more than required to provide the service and we don't want to undercharge. Understanding that we will never be perfect in our fees for service, we want to come as close as we can. The only way to come close to perfection is to wait until we are through and then tell our customer how much they owe us. Services can vary significantly between two customers for the same service. One customer may require several meetings and trips, while another much less.

Staff completed a fee survey. The survey was completed by Angela Parker and related to Planning and Zoning Fees. The table for the survey is located in the appendix of this report. Exhibit "A" is a survey of counties and municipalities for Planning and Zoning Fees.

V ANALYSIS

The first issue we will look at is the adequacy of our current fees. The question here is to determine if the cost to us to provide a service is being adequately compensated through the collection of fees or are we compensating this service with general fund revenues because our fees are too low.

Chart #1 simply reflects our total revenue stream from Planning & Zoning fees for the past 6 calendar years.

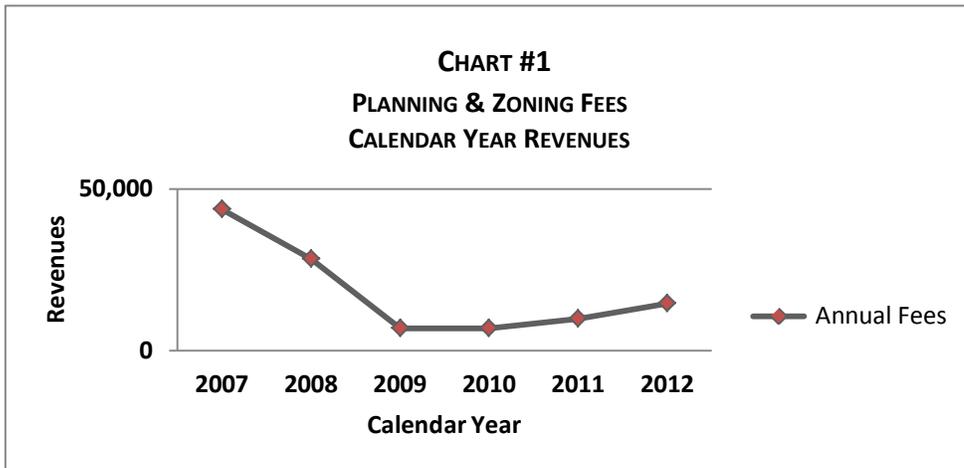
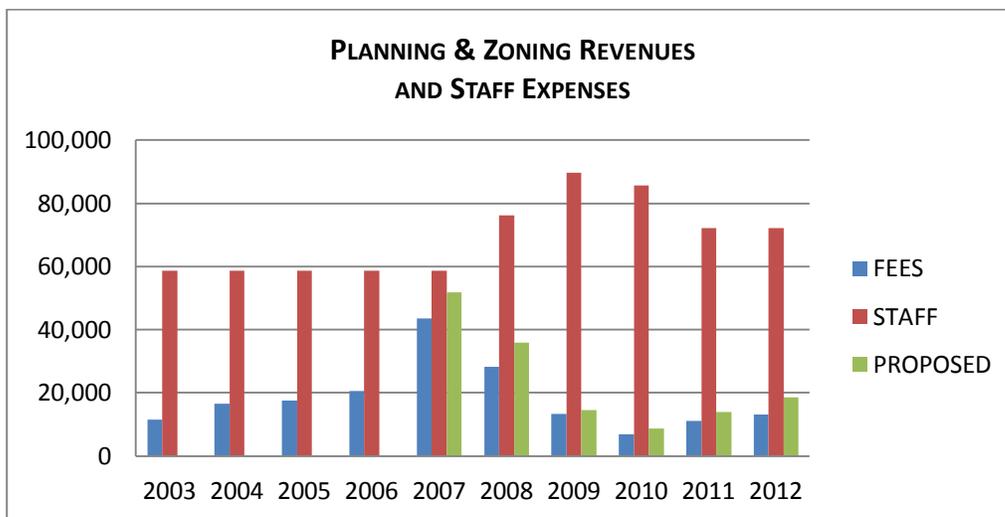


Chart #2 relates to Planning & Zoning Fees and staff costs. We also applied the proposed fees to the past six years. There is a much greater discrepancy between revenues and expenses in this chart. Part of the discrepancy was related to the addition of a part time staff from July of 2008 through July of 2010. Even in our good times economically we spent more to provide a service than we took in. Once again this does not include equipment expenses we had incurred during this time period.



Cost to Provide Service

Table #1 and Table #2 have taken a Variance application and Rezoning application to develop a cost factor to the County for each of these applications. Wages and Fringe benefits were calculated and a cost of \$.51 a mile was used. Advertising costs were based on past invoices.

A Variance application fee is \$150. The approximate cost to the County is \$380. This would mean that a person who wanted a variance would be paying to the County about 40% of what it cost for that process and the General Fund is paying 60% of the cost to obtain a variance.

The situation with the Rezoning application is very similar. The applicant pays approximately 43% of the cost and the general fund pays 57% of the cost to rezone his/her property.

Table #1

Variance process timeline/costs	Time
Application received	15 minutes
Visit site, take pictures (avg 40 mile roundtrip)	1 hour
Legal ad (approx \$50)	15 minutes
Report	2 hours
Letters to neighbors & property owner (avg 10 mailings, \$15)	30 minutes
Create postings (cost of materials \$20 total)	2 hours
Put up postings (avg 40 mile roundtrip)	1 hour
Board of Adjustment hearing	1 hour
Director's Meeting time	1 hour
Director's Review time	.5 hour
Approval/denial letter	30 minutes
	Total time 8.5 hours + 1.5 hours
	Total miles 80
Approximate total cost \$125 plus staff costs \$185.98 = \$380	

Table #2

Rezone process timeline/costs	Time
Application received	30 minutes
Visit site, take pictures (avg 40 mile roundtrip)	1 hour
Legal ads (approx \$150)	30 minutes
Report	2 ½ hours
Letters (300' notification, avg 20 mailings, \$30)	1 hour
Create postings (cost of materials \$20)	2 hours
Put up postings (avg 40 mile roundtrip)	1 hour
P&Z Commission hearing	1 hour
BOS meeting	1 hour
Director's Review	1 hour
Director's Meeting time	1 hour
Approval/denial letter	30 minutes
	Total time 11 hours + 2 hours
	Total miles 80
Approximate total cost \$240 plus hourly wage & benefits \$334 = \$574	

For the past four years we have actually recouped 15 to 18 percent of the cost to provide service to the applicant. During the 2007 calendar year (our busiest) we recaptured almost 75% of our cost to provide service. That was an anomaly because our best year other than 2007 was at 30 to 35% recovery. During the calendar year 2007, if we had the proposed fees, we would have collected 83% of the cost to provide services.

The cost of doing business has gone up considerably over the years and I don't believe that recapturing 15% to 18% of our costs should be accepted.

Cost Comparison with other Counties & Municipalities

On the whole, fees for Gila County are significantly lower than the other counties that responded to the survey as shown in Appendix "A". A similar situation exists when we do the same comparison with municipalities as shown in Appendix "B". The one fee that we show that is higher for Gila County than all those who responded to the survey was the Minor Land Division Fee.

Of the ten counties that responded to our query on rezoning applications, we were by far the lowest. Our proposed increase is equal to the lowest price of all the counties. The average for all ten respondents was \$819.60. Of the thirteen counties that responded to our query on variance applications two counties currently charge less than us and the average fee was \$304. Our proposal of \$450 is considerably higher than the average

Of the 9 municipalities that responded to our query on rezoning application we were either equal to or lower than everyone else. Winslow charged the same as our current fee. The average fee for a rezoning application was \$1,011. When looking at the variance applications for nine communities we find only one county is lower than us and two equal to us. The rest charged more. The average was \$219.

VI SUMMARY

We have assumed that efforts should be made to obtain full cost recovery when providing services to individuals. The decrease in general fund revenues during the past several years and the continuing demands placed on those funds indicate that where feasible the County should not be subsidizing individuals or businesses that receive services from Planning & Zoning staff. Cost recovery for these fees is neither adequate nor appropriate at this time. We recover less than 50% of what we expend when providing planning and zoning services.

VII RECOMMENDATION

The Planning & Zoning Commission met on November 21, 2013 and have recommended approval of the revised Fee Schedule as shown on Table #1 of this report, and that they further recommend to the Board of Supervisors the following:

1. That the Board of Supervisors will request that staff prepare a yearly review of the current fees for Planning and Zoning,



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**Planning & Zoning
Commission
Proposed Fee
Table #1**

FEE TYPE

Subdivision Fees:	CURRENT FEE	PROPOSED FEE
Preliminary Plat	\$500 + \$5 Lot	\$650 + \$20 Lot
Small Subdivision	\$500 + \$5 Lot	\$550 + \$20 lot
Final Plat	\$500 + \$5 Lot	\$650 + \$20 lot
Revisions/Amendments	\$100	\$175
Site Plan Review:		
	CURRENT FEE	
Mobile Home or RV Park	\$500 + \$5 Space	\$500 + \$10 space
Other Site Plans (except CUP's)	\$50	\$100
Zoning Services:		
	CURRENT FEE	
Initiation of Zoning Request from unzoned areas	\$0	0
Commission initiative for new subdivision in unzoned area	\$250	\$325
Rezoning:		
Application from property owner	\$250	\$365
Corrective Zoning	\$0	0
Conditional Use Permit:		
Conditional use site plan review	\$150	\$300
Combined w/rezoning application	\$50	\$75
	\$50	\$75
Temporary Use Permit	\$50	\$75
Variance:		
Variance w/Board of Adjustments	\$150	\$300
Administrative Variance	\$50	\$75
Sign Permit	\$0	\$50
Appeals to Board of Supervisors	\$0	\$100**
Development Plan Review	\$50	\$100
Comprehensive Master Plan Amendment:		
Major Amendment	\$250	\$525
Minor Amendment	\$250	\$365
Minor Land Divisions:		
Two Lots	\$500	ok
Three Lots	\$550	ok
Four Lots	\$600	ok
Five Lots	\$650	ok

Planning Zoning Fee Comparison for Counties

Type of Fee	Gila	Yuma	Mohave	Cochise	Graham	Maricopa	Pinal	Greenlee	Santa Cruz	La Paz	Pima ¹	Yavapai	Coconino	Apache	Navajo
Rezoning	\$250	\$2080-\$2,700 + per acre fee		\$250-\$400 + per acre fee		\$1,200-\$3,000 + per acre fees	\$800-\$25,195			\$750 + \$20/ acre over 5	\$1,116-\$4,460 + per acre fees over 10 acres	\$600-\$1200 + per acre fee	\$400-\$500 + per acre fee	\$600	\$400 + \$10/acre
Amendments to Zoning or subdivision	\$250	\$1,500 + \$500/ section		\$250		\$1,000 per section (max \$5,000)					\$1,858 or 25% of fee	\$250-\$1,000		\$500	
continuance		10% of original fee			\$125	\$250				\$100			\$100		
Special use permits (conditional or use)	\$50-\$150	\$750-\$1,500		\$300 + permit fee	\$150	\$3,000 + \$100/acre	\$350-\$450	\$45		\$750-\$1,000	\$86 - \$601	\$600-\$1,200 + per acre/ space fees	\$400-\$600 + fees	\$500	\$400
temporary special use permit		\$660					\$10-\$150/day					\$210			
temporary use permit	\$50	\$355		\$30	\$125 annually	\$250-\$750	\$50			\$250			\$50-\$100	\$300	\$150
variance permit	\$150	\$360/\$720 + per acre fee		\$300	\$75	\$250-\$750	\$190-\$200	\$90	\$250-\$350	\$550	\$258-\$335	\$530	\$400	\$300	\$400
preliminary plat	\$500 + \$5/lot	\$1,200 + \$12/ lot	\$1,750 + review fees	\$650 + \$20/lot	\$200 + \$20/lot		\$470 + \$48/lot			\$2,000	\$542+ \$55/ lot + per acre fees	\$400 + \$20/lot	\$500 + \$10/lot	\$600 + \$20/ lot	\$500 + \$20/lot
final plat	\$500 + \$5/lot	\$1,200 + \$12/ lot	\$1,750 + review fees	\$650 + \$10/lot	\$100 + \$10/lot		\$470 + \$48/lot			\$3,000	\$542+ \$55/ lot + per acre fees	\$715 + \$15/lot	\$200 + \$5/lot	\$600 + \$20/ lot	\$500 + \$20/lot
amendment to final plat	\$100	\$1,620	review fee	\$300	\$200					\$500	15% of initial fee		\$200	\$20/lot	\$500 + \$10/lot
abandonment		\$1, 620	\$600	\$300						\$1,000		\$615	\$500	\$350 + \$10/acre	\$200 + \$15/acre
appeal	\$150	\$600	\$1,000	\$150-\$300		\$300	\$190			\$100	\$253	\$440	\$300	\$300	
floodplain permit/research															
temporary rv permit		\$30-\$120		\$40-\$150			\$50								
				\$30	\$100 annually										\$150

Planning Zoning Fee Comparison for Counties

Type of Fee	Gila	Yuma	Mohave	Cochise	Graham	Maricopa	Pinal	Greenlee	Santa Cruz	La Paz	Pima ¹	Yavapai	Coconino	Apache	Navajo
sign permits	based on sq ft of sign			\$30-\$100	\$50-\$150		\$48-\$484	\$45		\$25	based on sq ft of sign	\$145-\$180		\$100-\$250	
comp plan amendment	\$250	\$200/\$1,000		\$200-\$500	\$300	\$2,000 + \$20/acre	\$1,000		\$1,000-\$2,000	\$1,000-\$2,000	\$1,295-\$2,590	\$350-\$7,400	\$400		\$400 + \$10/acre
time extensions		\$300		\$500							\$1,430 or 75% of applicable fees	\$300-\$1,000			\$500
minor land division	\$500-\$650	\$420			\$125-\$275		\$560			\$100/lot	\$173/lot (\$346 min)	\$100/lot		\$300-\$525	
zoning clearance		\$80			\$100	\$100-\$250	\$50			\$50	\$61	\$85-\$190			no charge
home occupation	\$50 (Dev Plan)										\$86	\$190			
administrative variance	\$50											\$530		\$300	\$200
planned area development				\$400-\$800 + per acre fee (max \$8,000)		\$1,200 + \$100 per acre (\$50,000 max)	\$1,000					\$1,000 + \$20/acre			
septic clearance							\$50								
MH park & RV park	\$500 + \$5/space	\$1,740		\$200 + \$10/space	\$200 + \$10/space		\$25 + \$8/space				\$714	\$300 + \$10/space			\$400 + \$10/lot or space
site plan review	\$50						\$175 & up				\$1,673				\$400 + \$30/acre
ag exemption review														\$50	

- Fees Higher
- Fees Lower
- Gila County

**Planning Zoning Fee Comparisons
With Other Municipalities**

Type of Fee	Gila	Flagstaff	ShowLow	Sierra Vista ¹	Winslow	Camp Verde	Prescott	Thatcher	Buckeye	Chino Valley	Cottonwood
Rezone	\$250	\$1000- \$2000 + \$50/ acre	\$450	\$1650 + \$50/ acre	\$250	\$1700 + fees per acre	\$1705 + \$21/ acre		\$1250- \$2500 + fees per acre	\$350 + \$10/ acre + ad fees	\$750 + \$35/ acre
Amendments to Zoning or subdivision continuance	\$250	\$2000- \$2500 + \$50/ acre		\$75/ hr		\$1700 + per acre fees		\$150	\$4,000		
Special use permits (conditional or use)	\$50-\$150	\$500- \$1000	\$125	\$125- \$1,500	\$250	\$1,800	\$821.50		\$100- \$1000	\$40-\$200 + ad fees	\$90-\$350
temporary special use temporary use permit	\$50			\$75-\$160	\$200				\$100		
variance permit	\$150	\$100-\$500	\$150		\$250	\$800	\$821	\$150	\$250- \$1000	\$100 + ad fee	\$90-\$350
preliminary plat	\$500 + \$5/lot	\$1500 + \$50/ lot	\$175-\$500 + per lot fee	\$1575- \$1900 + per acre or lot fee	\$400 + \$6/ lot	\$2000 + per lot fees	\$3605 + per lot fees	\$300 + \$2 per lot	\$1000- \$4000 + \$10/ lot	\$800 + \$15/ lot + ad fees	\$750 + \$20/ lot
final plat	\$500 + \$5/lot	\$1000 + \$20/ lot		1800-\$4650 + per lot or acre fee	\$400 + \$6/ lot	\$1400 + per lot fees	\$1068.50 + per lot fees	\$3 per lot \$100 min	\$500- \$2000 + \$10/ lot	\$800 + \$15/ lot + ad fees	\$750 + \$20/ lot
amendment to final plat abandonment	\$100	25% of original fee	\$250	\$500 + \$75/ hr	\$1,600	\$250	\$835 + per lot fees	\$133 or \$41/ page sheet	\$50 per sheet		\$150-\$500 + \$20/ lot
appeal	\$150	\$250-\$450	\$75	\$500	\$200	\$500	\$64	\$150	\$300	\$100 + ad fee	\$90-\$350
floodplain permit/research temporary rv permit				\$50-\$300							
sign permits	based on sq ft of sign	\$100- \$1500	\$20-\$60	\$475	\$50 + 1.50/ sq ft	\$10-\$1800	\$39-\$350			\$5-\$100	\$20-\$150
comp plan amendment	\$250	\$2000- \$2500 + \$50-\$150/ acre	\$300	\$1,740	\$400	\$1800- \$2200	\$402-\$669		\$300- \$8000 + fees	no fee	\$1500-\$2500
time extensions		50% of original fee				\$300	\$201.50		1/2 initial fee		
minor land division	\$500-\$650	\$250-\$500			\$250	\$165	\$161		\$500- \$1000	\$15/ lot; \$500 fine if xfer title 1st	\$25-\$50
zoning clearance		\$200				\$25-\$110			\$100		\$60
home occupation	\$50 (Dev Plan)			\$40							

**Planning Zoning Fee Comparisons
With Other Municipalities**

Type of Fee	Gila	Flagstaff	ShowLow	Sierra Vista ¹	Winslow	Camp Verde	Prescott	Thatcher	Buckeye	Chino Valley	Cottonwood
administrative variance	\$50		\$50					\$50			
planned area development				\$5000 + fees		\$2800 + \$55/ acre	\$256			\$800 + \$15/ lot + ad fees	
septic clearance											
MH park & RV park	\$500 + \$5/ space					\$1800 + per space fees					
site plan review	\$50	\$250- \$1000 +		\$1100- \$2200 + fees	\$150 + eng fee		\$403		\$1000- \$2500 + \$50/ acre		
ag exemption review											

-  Gila County
-  Lower Fees
-  Higher Fees