



"Inspiring a Vibrant Community"

June 16, 2022

INFORMATIONAL REPORT REGARDING PROPOSED NEW COMMUNITY DEVELOPMENT FEES

Third-Party Consultant:

A third-party consultant fee to cover the cost of using outside firms (engineering, law firms, etc.) is proposed to assist with reviews and agreements for larger projects. Projects that have needed or will need third-party review include the Vineyards, 89 & Vine, Spring Creek, and Mesquite Hills.

The request is to charge 100 percent of the consultant's fee to the applicant to cover these services. This would be similar to the current Plan Review Consultant fee for the Building Department and the third-party consultant fee for the Public Works Department.

The consultant fee would ensure the City is recovering the cost of necessary third-party reviews of development projects.

Temporary Certificate of Occupancy:

A Temporary Certificate of Occupancy (TCO) is issued (when requested by an applicant) after all City departments have been satisfied that all life/safety items have been completed. The TCO allows occupancy of the structure even though other outstanding items need to be completed before a final Certificate of Occupancy (CO) can be issued. Listed on the TCO is a specified time limit as well as all stipulations required to obtain the permanent CO. The concern with issuing a TCO is the inability to have effective enforcement for the applicant to complete the outstanding items listed. Staff does not want to shut down buildings and close businesses or evict residents from their homes if all items are not completed, however, it is important that a final CO can be issued for a property. For issuance of a TCO, staff's proposed solution is to require a bond/deposit (in a form acceptable to the Building Official) in the event construction is not completed. The amount of the bond/deposit shall equal 100 percent of the construction cost to complete the work required by the permits, and will be forfeited by the owner in the event all required work is not completed before the expiration of a TCO. Also, a non-refundable fee of \$200 for a single-family dwelling and \$500 for commercial projects is proposed for issuance of a TCO.

Sedona and Camp Verde both charge fees for TCO's. Camp Verde charges a flat fee of \$500 for commercial and \$300 for residential. Sedona charges a fee of \$300, plus a bond/deposit in an amount equal to 100 percent of the construction cost to complete the work required by the permit. Sedona has also set the bar very high for what qualifies for a TCO, and only issue them in extreme, rare cases, and have not done so for over 5 years.

The issuance of a TCO is not customary and requires a written request from the applicant that identifies hardship(s) not caused directly or indirectly by the applicant, property owner or their design professionals or contractors.

Requiring a bond/deposit for a Temporary Certificate of Occupancy would incentivize applicants to complete all required work for a final Certificate of Occupancy, and allow staff the ability to ensure compliance before they become code enforcement issues.

Plan Review:

The City's Municipal Code, Chapter 15.52.010 provides for collection of plan review fees at the time of plan submittal. However, the Building Department has not been collecting this fee until an applicant picks up an approved permit. Staff intends to move forward with collecting this fee at the time of plan submittal to ensure some fees are collected for staff review of plans. This does not increase the overall cost of the permit fees the City charges. Certain permits will not require a plan review fee and if the amount is small enough, the fee will not be required to be paid up front.

Plan review fees paid at the time of submittal of plans would help ensure time spent by staff to review plans will be compensated. Some applicants do not pick up their permits and move forward with projects after a significant amount of staff time has been spent on review of plans.

Wayfinding Signs:

The City Council previously gave direction to allow business that are not located on Main Street an option to have their business identified on a wayfinding sign in the Old Town Historic District. Staff proposes an initial fee for the wayfinding sign of \$75 with an annual renewal of \$25.

A new wayfinding kiosk is proposed to be placed along Main Street near the Community Clubhouse in Old Town. The kiosk will contain a map of all businesses located in the Old Town Historic District, similar to the one near the Jail Trail. Staff anticipates having room for advertising within the kiosk. An annual fee of \$50 is proposed for a business to advertise in the kiosk.

The proposed fees for the new wayfinding signs and kiosk will help offset a cost to the City and shift much of the cost to business owners who would receive the direct benefit of wayfinding and advertising.