



Arapahoe County

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Board Summary Report

File #: 23-658

Agenda Date: 11/14/2023

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To: Board of County Commissioners

Through: Bryan Weimer, Director, Public Works and Development (PWD)

Prepared By:

Rebecca Doane, Support Services Division Manager, PWD Greg Bragdon, Building Division Manager, PWD

Subject:

2:45 PM *Proposal for Updating Building Permit Fees and Funding Request

Purpose and Request:

The purpose of this study session is to provide the Board of County Commissioners (BOCC) with a proposal for updating fees charged by the Building Division and to get direction from the BOCC on whether to proceed with the next steps required as part of the fee revision process. Public Works and Development has also included a funding request based on the updating of building permit fees.

Background and Discussion: Workload in the Land Development Services (LDS) divisions, which includes the Building, Planning, and Engineering Services Divisions within PWD, has remained high over the past several years. All signs indicate that a high level of building development will continue in Arapahoe County through 2024 and into 2025.

In 2019, PWD staff conducted a detailed analysis of LDS fees, which includes fees assessed by Building, Planning/Zoning, and Engineering Services. Most of the fees at that time had not been changed in many years; in the case of Building permit fees specifically, these fees had essentially been unchanged for over 20 years. In 2020, PWD staff recommended a 50% increase to Building permit and plan check fees, which was approved by the BOCC and implemented effective 1/1/2021. At that time, we advised the BOCC that we would conduct another fee review in three years and would return with a new proposal if we believed another increase was warranted. Even though a 50% increase was implemented, because the fees had been so low due to not having been changed in over 20 years, we believed that another increase in a few years might be appropriate.

We conducted an updated fee analysis in 2023, and the data shows that Arapahoe County continues to be low in its fees as compared to other jurisdictions; therefore, we are now proposing a 30% increase in Building permit and plan check fees to be effective on or around 1/1/2024, which would be three years from the previously implemented increase. As part of this proposal, we also recommend eliminating the current practice of providing a discounted plan check fee for “repeat master” permits. This is a current business practice that is not part of our official fee schedule, and to our knowledge, no other surrounding jurisdiction gives a discounted rate for “repeat master” permits. We recommend eliminating this practice and assessing the published plan check fee rates on all permits. Detailed information about the fee comparisons with other jurisdictions is included in the attached Staff Report.

Alternatives: The Board may decide to implement no fee increases at this time, or the Board may request that a

higher or lower fee increase amount be considered.

Fiscal Impact: If this proposal is approved, we estimate that it would result in an additional \$1.8 million in revenue in 2024, above the currently proposed budgeted revenue amount for 2024. That represents an overall increase of 34.3% above the current proposed budget for 2024, and an increase of 63.3% above the 2023 baseline revenue budget. Furthermore, this increase will cover roughly 83% of the Land Development Services operating costs. Additional details are included in the attached Staff Report.

PWD has include in their proposal a funding request for \$700,000 of both one-time and ongoing costs in light of the proposed increase in building permit fee revenue.

Alignment with Strategic Plan:

- ☒ Be fiscally sustainable
- ☒ Provide essential and mandated service
- ☐ Be community focused

Staff Recommendation: PWD staff recommends proceeding with posting notice for public comment of the proposed 30% fee increases for Building permit and plan check fees. Based on the public comments received, PWD staff would then either come back to the BOCC for additional direction or would proceed in scheduling the proposed fee increase as an agenda item for a BOCC public meeting.

Concurrence: N/A

Resolution: Attached is a copy of the draft resolution.