

**Austin Planning and
Development Review Department
Cost of Services (User Fee) Study
Final Draft**

CITY OF AUSTIN, TEXAS

matrix 
consulting group
201 San Antonio Circle, Suite 148
Mountain View, CA 94040
v.650.858.0507 f.650.917.2310

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1. EXECUTIVE SUMMARY

The report, which follows, presents the final results of the City of Austin's Planning and Development Review Department (PDRD) Cost of Services (User Fee) Study conducted by the Matrix Consulting Group for the City of Austin.

1. PROJECT BACKGROUND AND SCOPE OF WORK

The Matrix Consulting Group analyzed the cost of service for various planning and review activities, including: Managed Growth Agreements, Zoning fees, Planned Development Area Creations, Planned Unit Developments, Subdivisions, Site Plan processing, Traffic Impact Analysis, Sign Permits, Municipal Utility Districts, Historic Preservation Fees, Tree permits, etc. The results of this Study provide a tool for understanding current service levels, the cost and demand for those services, and what fees for service can and should be charged.

The project team projected revenue for all fees collected by the Planning and Development Review Department¹ (PDRD) to determine the impact fee increases would have on revenue. Revenue² was projected for the departments of Development Services, Planning and Zoning, and Watershed Protection. User fees from the Phase I study (Building Permits and Plan Reviews, Site Plans) completed in FY12 were included in this analysis along with fees from the Phase II study (Subdivision, Miscellaneous Fees, Traffic Impact Analysis, etc.) completed in FY15. The results of this Analysis provide the Department with a tool for understanding the Department's ability to generate revenue.

¹ Prior to the conclusion of this study PDRD separated into Development Services Department (DSD) and Planning and Zoning (PAZ).

² PDRD collects fees (revenue) for WPD in order to streamline permit payments by applicants.

2. GENERAL PROJECT APPROACH AND METHODOLOGY

The methodology employed by the Matrix Consulting Group is a widely accepted “bottom up” approach to cost analysis, where time spent per unit of fee activity is determined for each position within a division. Once time spent for a fee activity is determined, all applicable Departmental costs are then considered in the calculation of the “full” cost of providing each service. The following table provides an overview of types of costs applied in establishing the “full” cost of services provided by each unit included in this Study:

Cost Component	Description
Direct	FY15 Adopted Budgeted salaries and benefits.
Departmental Overhead	Division or Departmental administration / management and clerical support.
Citywide Overhead	City costs associated with central service costs such as payroll, human resources, budgeting, City management, etc.

Together, the cost components in the table comprise the calculation of the total “full” cost of providing any particular service.

The work accomplished by the Matrix Consulting Group in the analysis of the proposed fees for service involved the following steps:

- **Staff Interviews:** The project team interviewed staff in each unit regarding their needs for clarification to the structure of existing fee items, or for addition of new fee items.
- **Data Collection:** Data was collected for each item, including time estimates and volume of activity. In addition, all budgeted costs and staffing levels for FY15 were entered into the Matrix Consulting Group’s analytical software model.
- **Cost Analysis:** The full cost of providing each service included in the analysis was established in accordance with generally accepted accounting principles.
- **Review and Approval of Results with Department Staff:** Unit and Department management reviewed and approved the documented results.

A more detailed description of user fee methodology, as well as legal and policy considerations are provided in subsequent chapters of this report.

3. SUMMARY OF RESULTS – USER FEE STUDY

Overall, the Planning and Development Review Department is recovering approximately 56%³ of its costs, which is slightly below the typical range of cost recovery seen for Planning services (60% - 80%). The attachment to this report details the current recovery level of permitting fees on a unit-by-unit basis for the fees included in this Study. While the detailed documentation of the Study will show an over-collection in certain fees (on a per unit basis), and an undercharge for others, overall, the Department is providing an annual subsidy to fee payers.

The purpose of this report is to provide PDRD management with an understanding of the total cost of providing a service. Management can use these total costs as a basis for policy development and adopting a formalized cost recovery policy for the Department.

4. SUMMARY OF RESULTS – REVENUE PROJECTION ANALYSIS

Overall, based upon different revenue projection analyses and scenarios, and in discussions with City and Department staff it was determined that the best approach to achieving cost recovery while also minimizing the impacts on the development community would be to increase all fees with a deficit of \$120 or less to full cost in FY16, and increase the remaining fees to full cost over a two year period. The Revenue Projection Analysis calculated projections for PAZ, DSD, Watershed Protection, and other City Departments. The table on the following page shows the total revenue projections on a yearly basis for each of the various groups.

³ The 56% cost recovery percentage is derived based on FY15 Budgeted Revenue divided by FY15 Budgeted Expenditures.

	PAZ	Watershed	DSD	Other	TOTAL
FY16- No Fee Increase	\$300,056	\$659,717	\$22,595,870	\$44,539	\$23,600,183
FY16	\$467,848	\$992,381	\$25,898,312	\$67,053	\$27,425,593
FY17	\$626,080	\$1,327,169	\$27,284,498	\$85,405	\$29,323,151
FY18	\$626,080	\$1,327,169	\$27,284,498	\$85,405	\$29,323,151
FY19	\$626,080	\$1,327,169	\$27,284,498	\$85,405	\$29,323,151
FY20	\$626,080	\$1,327,169	\$27,284,498	\$85,405	\$29,323,151

As the table above shows, if DSD does not increase its fees, it will generate approximately \$22.6 million in revenue in FY16 from the fees reviewed in this study. However, if DSD implements this approach, it will generate an additional \$3.3 million in FY16, and an additional \$1.4 million in FY17, with a total revenue budget of \$27.3 million in FY17. Additionally, if Planning and Zoning and Watershed were to also follow a similar approach to fee increases, an additional \$500,000 worth of revenue would be generated each year for FY16 & FY17. While PDRD staff is responsible for collecting the fees for PAZ & Watershed, the decision to increase those fees lies solely with those Departments.

The purpose of this analysis is to provide Department management with an understanding of the ability of the Department to sustain itself based on revenue generated through user fees, both now and in the future. Management can use the revenue projection analysis plan to modify current fee increase policies to generate additional revenue for the Department.

5. CONSIDERATIONS FOR COST RECOVERY POLICY AND UPDATES

The Matrix Consulting Group recommends that the Department use the information contained in this report to discuss, adopt, and implement a formal Cost Recovery Policy, and also review the current mechanism for the annual update of fees for service. Additionally, the Department should adopt a formalized, individual cost

recovery policy for each fee included in this Study, which is considered an industry Best Management Practice.

It is a Best Management Practice to perform a complete update of a Fee Assessment on a periodic basis, typically every three to five years, or when major changes to Department costs are implemented. Through FY15, the City's fee increase policies was to increase fees not at full cost by 25% annually until full cost of service is reached. This policy should be reviewed to better understand how this impacts cost recovery and revenue generation. Furthermore, the Department should look into utilizing published economic factors such as Consumer Price Index (CPI), other regional factors, or anticipated labor cost increases to update the fees that are currently at cost recovery. The creation of an annual fee increase policy would ensure that the Department receives appropriate fee and revenue increases that reflect growth in costs.

2. METHODOLOGY

The following chapter details the methodology used to develop the Cost of Services study and revenue projections.

1. USER FEE METHODOLOGY

The Matrix Consulting Group uses a cost allocation methodology, commonly known and accepted as the “bottom-up” approach to establishing User Fees. The term means that several cost components are calculated for each fee or service. These components then build upon each other to comprise the total cost of providing the service.

The general steps used by the project team to determine allocations of cost components to a particular fee or service are:

- Develop time estimates for each service included in the study;
- Calculate the direct cost attributed to each time estimate;
- Distribute the appropriate amount of indirect cost components to each fee or service.

The result of these allocations provides detailed documentation for the reasonable estimate of the actual cost of providing each service. The following sections discuss the use of time estimates and the development of fully burdened hourly rates to calculate the full cost of providing PDRD fee-related services.

(1.1) Time Estimates Are A Measure Of Service Levels Required To Perform A Particular Service

One of the key study assumptions used in the “bottom up” approach is the use of time estimates for the provision of each fee-related service. Use of time estimates is a

reasonable and defensible approach.

The project team worked closely with staff in developing time estimates with the following criteria:

- Estimates are representative of average times for providing services. Extremely difficult or abnormally simple projects are excluded from the analysis.
- Estimates reflect the time associated with the position or positions that typically perform a service.
- Estimates provided by staff are reviewed and approved by the department, and often involve multiple iterations before a Study is finalized.
- Estimates are reviewed by the project team for “reasonableness” against their experience with other agencies.
- Estimates were not based on time in motion studies⁴, as they are not practical for the scope of services and time frame for this project.

The Matrix Consulting Group agrees that while the use of time estimates is not perfect, it is the best alternative (to time in motion studies) available for setting a standard level of service for which to base a jurisdiction’s fees for service.

(1.2) Fully Burdened Hourly Rates

Fully burdened hourly rates were developed using direct and indirect costs. For each PDRD staff position, the following hourly rate sub-categories were used to calculate the fully burdened hourly rate:

- **Direct Cost:** This category represents the cost associated with direct salary and benefits for each position.
- **Departmental Overhead:** This category represents cost associated with services and supplies. Expenditures associated with non-fee related services were excluded from this calculation.
- **Citywide Overhead:** This category represents cost associated with central service costs, as identified through the City’s cost allocation plan.

⁴ Time and motion studies include using a stopwatch to identify the exact amount of time taken for each process specific to a service. These studies require several months of time data collection, and put a large burden on staff availability and resources.

These fully burdened hourly rates along with time estimates were the basis for calculating the full cost associated with fees / permits included in this Study.

2. REVENUE PROJECTION ANALYSIS METHODOLOGY

The Matrix Consulting Group collected year-to-date workload for FY15 and annualized it to use as the basis for projecting revenue for the Department. The following chapter discusses in detail the various components of the revenue projection analysis calculation and any issues that occurred during the calculations.

(2.1) Fee-Increase Components

The project team worked with Department staff to determine various fee-increase scenarios, which served as the basis for the revenue projection analysis. These fee-increase scenarios were developed using two different components:

- **Current Fee:** Represents FY15 Adopted fee currently being charged by the Department.
- **Full Cost:** This represents the full cost calculated through either Phase I⁵ or Phase II of the User Fee study. However, in some instances it may refer to an alternate fee that was recommended by staff.

Using these components, each scenario builds off of the current fee with the ultimate goal of achieving full cost.

(2.2) Data Collection Issues

Using the Department's software application system (AMANDA), the project team collected data on a fee-by-fee or line item basis for FY15 year-to-date data (October through April). It was determined that this data was most reflective of the City's current development permitting trends and was annualized to reflect a full fiscal year's worth of

⁵ The full cost for Phase I fees refers to the upper range of the Cost of Services Study calculated by Public Financial Management in the FY 2012 Phase I Fee Study. The upper range was used, as that is the maximum allowable fee that could be charged by the City for the service.

workload activity. Additionally, during the data collection process there were several issues that arose:

- **Structural Changes:** Certain fees from the Department's current fee schedule have been modified during Phase II of the User Fee Study and as such the volumes were not translatable between the current and the proposed fee structure. However, where possible the project team tried to project minimum revenue for these proposed fees. For example:
 - The proposed structure for Subdivision Fees changed drastically; however, the project team was able to deduce the number of subdivision projects processed for each of the different categories, and included them with the proposed Subdivision structure. Similar attempts were made for Utility and Sewer Cuts.
- **Per Acre, Per \$1,000, Per lot, Per Unit Fees:** In the current fee schedule there are several fees that are based on per acre, per lot, or per unit increments. For these types of fees it was not possible to determine the total number of acres or total number of units due to the number of different combinations that could be used to arrive at the fee charged. Where it was possible to determine the number of total square footage or total number of acres, the project team incorporated that data into the analysis; however, it was not possible to translate that volume for Subdivision per lot and per acre fees. Depending upon the size of the subdivision projects, substantial revenue could be associated with these fees.
- **Maximum Category Fees:** For Building, Electrical, Mechanical, and Plumbing Permit fees, there was no fee listed for the highest category (combination of the different categories), the project team calculated the average fee charged for those permits in order to project revenue for these permits. For Example: building permits greater than 50,000 square feet: while 15 permits were processed in that category, in order to project revenue, the average fee charged for those 15 permits was calculated and applied in the analysis.
- **Fees with the Same Fee Amount but Different Names:** Certain permits within the Department's AMANDA software application system had the same code, and the same fee amount, but showed up at different points throughout the fee schedule. For example, there is a notification fee in each portion of the Subdivision fee schedule, and there are multiple exemption fees. Due to these fees having the same fee amount, the project team grouped the workload statistics into one category, to ensure that the revenue projected included these estimates, but without breaking them out between their specific units.

As the points above detail there were some issues with transcribing the data from AMANDA into the revenue analysis model. The project team developed solutions to

include as much volume and workload statistics as possible to present the Department with reliable estimates of revenue. However, it is important to note that the revenue projection presented in the analysis is simply an estimate and is based on annualized FY15 workload statistics.

3. MODIFICATIONS TO FEE SCHEDULE

During the course of the study, several modifications were proposed to the current fee schedule. These modifications ranged from renaming and eliminating fees to adding new fees or expanding / streamlining current fee ranges. The following chapter provides a detailed discussion of the major types of modifications that occurred through this study: elimination of fees, addition of fees, and fee service modifications.

1. FEE ELIMINATIONS

Several fees for services were eliminated from the Fee Schedule, as either the fee is no longer charged by PDRD staff, or these processes / permits are no longer required by the City. The following points provide a list of the fees removed from the schedule and a brief explanation for their removal:

- **Street Name Change & Honorary Street Names:** These fees and services have been removed from the PDRD fee schedule as they are no longer performed by PDRD staff. This service is now provided by the Transportation Department.
- **Small Project – Non-Consolidated Requiring Land Use:** This fee has been removed as there are no site plans which could or would qualify as a small project land use only site plan.
- **Printing of Duplicate Licenses:** The Department no longer provides this service, nor is it required by City ordinance or code.
- **Sign Permit – Banner Signs:** Review and inspection of Banner signs is now completed by the Transportation Department.
- **Roadway Utility District:** The service is not performed by PDRD staff and is currently overseen by the Transportation Department.
- **Small Project – Land Use Only (Watershed Fee Schedule):** This type of project / service is no longer being provided by the Department or City staff.

As the points above indicate, the majority of the fees that have been eliminated

are due to services no longer being provided by PDRD or the City.

2. FEE ADDITIONS

New fees for current or proposed services were also incorporated into the fee schedule. The following is a list of all of the fees added to the schedule and a brief description of the service associated with those fees:

- **Project Consent Agreement:** In 2014 an ordinance was passed in the City of Austin to allow for project consent agreements on development project applications. This fee was added to account for this new service and the review time associated with processing these applications. As the service is dependent upon existing subdivision and site plan projects, the new fee only accounts for the additional time associated with processing this agreement, and as such will be charged in addition to typical site plan and subdivision fees.
- **Historical District Sign Review:** Currently, the historical preservation unit reviews all signs that are located in the Historical District. The proposed fee will account for Historical District staff time spent checking plans, and reviewing signs located in the City's Historical District.
- **Shared Parking Analysis:** This proposed fee accounts for the time Transportation staff within DSD and Transportation Department staff spend reviewing shared parking analysis requests. This service is currently being provided at no cost to applicants.
- **Offsite Parking:** Similar to Shared Parking Analysis, this proposed fee is meant to account for the review time associated with offsite parking for development projects. While the Department is currently providing this service, a fee is not currently assessed to applicants.
- **Neighborhood Traffic Analysis:** The Transportation division within PDRD currently provides neighborhood traffic analysis reports to citizens and council free of charge. Additionally, certain types of development processes require that neighborhood traffic analyses be submitted prior to approval of development applications. This proposed fee is meant to account for the time spent reviewing neighborhood traffic patterns.
- **Public Improvement District:** Similar to Municipal Utility Districts, the City also allows for the creation of a Public Improvement District. There is currently no fee for reviewing the creation of these Districts. This proposed fee category (creation and bond issuance) is meant to account for the time associated with providing this service to applicants.

- **Use Determination:** This fee is intended to account for time spent conducting use determinations, which informs an applicant whether their proposed use is permitted, conditionally permitted, or prohibited.
- **Mobile Retail:** This fee is intended to account for the review services associated with the recently passed City ordinance relating to over-the-counter permits for food trucks operating within the City.
- **Predevelopment Consultation:** This fee is intended to account for time spent conducting predevelopment meetings specifically associated with removal of trees from commercial or residential properties.
- **Utility Repair / Replacement:** Tree removals have increasingly become associated with utility repairs / replacement and the review and process for that type of tree removal is different than a commercial or residential tree removal permit.
- **Other:** This fee was created to account for time spent by environmental staff for tree removal permits or requests that are not otherwise represented on the fee schedule.

The addition of these fees allow for cost recovery of services for which the Department has already been performing. The Department should add these fees to its fee schedule not only to ensure that all services being provided are represented on the Department's fee schedule, but also to recover costs for these services.

3. FEE SERVICE MODIFICATIONS

The largest alteration to the fee schedule consisted of expanding or collapsing fee ranges or categories. In some instances, fees were expanded to provide clarity regarding services being provided; alternatively, some fees were collapsed to simplify the current fee structure. Additionally, other fees were either combined or renamed to better reflect the associated services. The following is a list of all fees whose services were modified within the fee schedule:

- **Managed Growth Agreement:** The ranges in this category have been collapsed into a single flat fee, as the time associated with processing an agreement is the same regardless of the size of the site plan or subdivision project. This fee would

be charged in addition to typical site plan or subdivision fees that accounts for the size of the project.

- **Capital View Corridor:** The new fee schedule expands the Capital View Corridor Building Height Determination fee into two new categories – Level I (Assessment) and Level II (Analysis). During discussions with staff it was determined that while certain types of projects were easy to assess in-house, other types of projects required a surveyor and/or assessor for an additional cost. Therefore, different fees were created to represent the difference in services.
- **Subdivision Fees:** There were two types of modifications made to Subdivision fees:
 - **Fee Ranges:** Currently, the subdivision review fees have two ranges: less than or equal to 1,000 acres, and greater than 1,000 acres. For each range there is a per acre fee. In discussions with staff, it was determined that the base review was not dependent upon the size of the project. Therefore, these permit ranges were altered to a singular base fee with a per acre fee for preliminary review, and a per lot fee for final review. These modifications allow the fee schedule to reflect the service variations associated with preliminary and final reviews.
 - **Zone Discounts:** The City provides a discount for some subdivision permits, depending on the project's location. Development zone discounts range from 50% to 80% of the original subdivision permit fee. As there is no difference in services provided for reviews within the various development zones, the project team recommended, in consensus with Department staff, that the subdivision fees be simplified to a single set of base fees. The discount associated with the zone should then be applied to the base fee where appropriate.
- **Land Status Determination Fee:** The miscellaneous subdivision exemption and exception fees were combined into the Land Status Determination Fee. This is not a new fee, but rather a streamlined fee to reflect the actual service being provided by Departmental staff.
- **Change of Use / Exemption Fee:** The department staff previously charged the same fee for either a change of use or an exemption; however, these are separate processes that require different amounts of time. Therefore, these fees were broken out into two separate fees in the new fee schedule.
- **Extension:** The current site plan extension fee category was expanded to account for subsequent extensions, as they require significantly more time and review relative to the first extension.

- **Record Retrieval Fee:** This fee is to account for the actual cost associated with retrieving records from an off-site records storage facility. This fee has been renamed and collapsed into one fee, as the previous ranges of fees were based on the number of records; however, staff discussions indicated that it was not the number of records, but rather the number of trips that was the primary driver of the service.
- **Traffic Impact Analysis – Trips / Day:** The ranges within trips / day were collapsed to better represent the different service level thresholds for this category.
- **Miscellaneous Site Plan Fees – Utility & Storm Sewers:** The fee was previously based on lineal feet; however, staff reviewing these applications and projects suggested that acreage was the primary driving force behind the difference in service levels. As such, this fee category was altered to show the various ranges based on the number of acres.
- **Relocation Permit:** The City provides permitting services for the relocation or moving of houses, buildings, or mobile homes. The process and time associated with reviewing and issuing these permits was the same, and therefore it was recommended that a single permit fee category be developed to encompass all three services.
- **Sound Amplification Permit – All Others:** A new category was developed to account for the time associated with reviewing and processing sound amplification permits for indoor venues.
- **Fast Track Certification Fee:** The previous fee schedule had two ranges for this category – initial and renewal; however, staff indicated that there is no significant difference in processing time for the two levels. As such, it was recommended that the fee category be streamlined into a single fee.
- **Annual Operating Permit for Water Quality Controls:** This permit was expanded to develop different levels of review, which are dependent upon the sites and their statuses / conditions. These reviews are no longer dependent upon the number of water quality controls, which was the basis of the previous fee schedule.
- **Residential Development Plan Review:** This permit was renamed from Tree Permit Residential to Residential Development Plan Review.
- **Variance Fees:** During this study it was determined that there are two types of variances: one that can be approved by staff, and others that have to be taken to a specific board or commission. While there are two different fee amounts to represent these services, they are both labeled “Variance” on the fee schedule. Therefore, it was recommended that a consistent label be utilized throughout the

PDRD and Watershed fee schedules in order to denote the different variances – “Administrative” (for administrative approval) and “Boards / Commissions” (for board / commission approval).

The modifications to the fee schedule discussed above and throughout this chapter have not only helped simplify the fee schedule, but also provided clarity regarding when certain fees should be applied. Additionally, these modifications ensure that all services being provided by the Department are accounted for on the fee schedule.

4. RESULTS OVERVIEW

The motivation behind a Cost of Services (User Fee) analysis is for the Department to maintain services at a level that is both acceptable and effective for the community, and also to define and revise current fee policies and allow for better management of these services.

Discussion of results in this report are intended as a summary of extensive and voluminous cost allocation documentation produced during the Study. The full analytical results were provided to Departmental staff separately. In addition, the Appendix to this report presents summarized and detailed cost calculations for each fee category comparing the full cost of providing each unit of service to the current fee for each unit of service (where applicable).

It should be noted that the results presented in this report are not a precise measurement. In general a cost of service analysis takes a “snapshot in time”, where a fiscal year of adopted budgeted cost information is used to determine the full cost of providing permit related services.

1. SIGNIFICANT RESULTS

Typically, when a fee has an increase or decrease of more than 25%, it is considered a significant change. However, in analyzing all of the individual fee line items for PDRD, approximately 90% of the fees reflected a change (increase or decrease) that was greater than 25%. Therefore, for the purposes of this chapter, only fees with changes of more than 100% were considered significant. It is important to note that due to some major structural modifications to the fee schedule, there is no

comparison basis by which to determine the percentage increase / decrease for some fees, and as such these fees are not included in this section. The following sections discuss near or greater than 100% decreases or increases in cost per unit.

(1.1) Significant Decreases

There is only one fee in the fee schedule that was significantly decreased: Hazardous Pipeline Review (\$10,000,000+). The following table highlights the permit or fee name, the current fee, total cost per unit, and the percent change.

Fee Title	Current Fee	Total Cost	Surplus	% Change
> \$10,000,000 valuation (labor & materials)	\$12,975	\$190	\$12,785	99%

This fee is part of the larger category of Hazardous Pipeline Building Plan Review fees and is intended to recover costs for both staff time and the materials necessary to perform the plan review. While staff time has been significantly streamlined, the current full cost per unit (total cost) does not reflect any of the materials cost, as those vary dramatically from project to project, and could account for the significant discrepancy between the current fee and the total cost per unit calculated.

(1.2) Significant Increases

While there is only one significant decrease, numerous significant fee increases were required to achieve full cost recovery. For fees where the entire category qualifies as a significant increase, only the category itself has been listed, along with average cost increase for that entire category (rather than each individual fee). The table on the following page highlights the permit or fee title, the current fee, total cost per unit, the deficit, and the percent change.

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Fee Title	Current Fee	Total Cost	Deficit	% Change
Capital View Corridor Zoning Height Determination:*				493%
Board of Adjustment Fees:				
Residential Zoning	\$388	\$1,017	\$(629)	162%
Sign Review Board - Residential	\$388	\$1,000	\$(612)	158%
Miscellaneous Subdivision Fees:				
Administrative Revision to an approved Preliminary Plan	\$275	\$1,317	\$(731)	379%
Construction Plans:*				494%
MUD Consent Agreement	\$275	\$3,104	\$(1,006)	1,029%
Plat / Plan:*				725%
Re-subdivision requiring notice of public hearing	\$495	\$1,988	\$(1,503)	304%
Variance – Applicant Requested:*				1,988%
Miscellaneous Site Plan Fees – I:*				447%
Street & Drainage:				
Full Development	\$965	\$4,189	\$(3,223)	386%
Rough Cut / Prelim with a full development	\$139	\$931	\$(792)	593%
Hazardous Pipeline Building Plan Review Fee:				
Per \$1,000 greater than \$10,000 valuation	\$1.10	\$9.48	\$(8)	762%
Per \$10,000 greater than \$10,000,000 valuation	\$1.10	\$47.42	\$(46)	4,211%
County Recordation Fee: *				583%
Relocation Permit	\$44	\$144	\$(100)	228%
Sound Amplification Permits – Outdoor Venue	\$50	\$249	\$(199)	398%
Planned Development Area Creation:				
< 10 acres	\$2,945	\$8,485	\$(5,540)	141%
Revision Requiring Commission & Council Approval	\$205	\$5,264	\$(5,419)	2,643%
Municipal Utility District (MUD):*				588%
Neighborhood Plan Amendment Application Fee	\$450	\$2,308	\$(1,858)	413%
Historic Preservation – Total Demo – Princ. Bldg:*				626%
Historic Preservation – Partial Demo – Princ. Bldg:*				576%
Historic Landmark Commission Processing Fees:				
Bldg Permit App. w/in Natl. Register of Historic Districts	\$100	\$335	\$(235)	235%
Certificate of Appropriateness	\$100	\$289	\$(189)	189%
UST Permits – Total Estimated Project Cost:*				138%
Hazardous Materials Permit Fee – Total Capacity				
0 - 500 gallons	\$65	\$313	\$(248)	382%
500 - 999 gallons	\$125	\$313	\$(188)	151%
1,000 - 9,999 gallons	\$190	\$392	\$(202)	106%
Residential Development Plan Review	\$50	\$261	\$(211)	422%
Consolidated Site Plan Revisions	\$100	\$477	\$(377)	377%
Construction Plan Review Revisions	\$55	\$325	\$(270)	492%
Variance – Boards / Commissions	\$1,430	\$6,725	\$(5,295)	370%
Street & Drainage – Rough Cut / Prelim w/out full dev.	\$381	\$1,926	\$(1,545)	406%

*Represents the average percentage change for fees within that category.

The above table highlights the significant variances between current fees and the full cost of providing the corresponding services. It should be noted that an increase or decrease of more than 100% does not always represent a significant dollar deficit or surplus. For example, the Residential Development Plan Review fee is currently \$50,

whereas the full cost of providing the service is \$261, representing an increase of 422%. However, the dollar value of this increase is only \$211. If the City remains committed to the 25% per year limited increase, it will take eight years before this service will be able to recover its full cost.

2. WORKLOAD IMPACTS ON POLICY

The project team recommends that the Department continue tracking volume or workload data at the individual fee unit level. This will help the Department set fees appropriately, develop revenue projections and ultimately attain true cost recovery.

This chapter highlights many fees that require significant increases to achieve full cost recovery; however, depending upon the volume level associated with those fees, some fee increases may not result in significant revenue increases. For example, the Variance – Boards and Commission application fee is currently \$1,430, whereas the total cost of providing the service is \$6,725, resulting in a per-unit subsidy of \$5,295. In FY14, the City processed approximately 4 of these applications, which results in an annual subsidy of approximately \$21,178. Conversely, the Tree Permit Residential fee is currently \$50, however, the total cost of providing the service is \$261, resulting in a subsidy of \$211 on a per-unit basis. In FY14, the City processed approximately 964 of these permits, which results in an annual subsidy of approximately \$203,245.

It is important to review the per-unit subsidy associated with each permit or application; however, in order to achieve greater cost recovery, the Department will need to better understand the workload of services being provided. While identifying cost recovery subsidies will allow the Department to better understand its costs and

service levels, the current City policy limiting fee increases to 25% annually severely restricts the Department's ability to achieve full cost recovery in the near future.

5. REVENUE PROJECTION ANALYSIS

The purpose of the revenue projection analysis was to inform Departmental management of the impact of increasing fees based upon the Department's desired implementation strategy, which has two steps. For all fees where the deficit between the current and full cost amount is \$120 or less, the FY16 fee amount will be increased to full cost. The remaining fees, which have a deficit of greater than \$120, will be increased to full cost over two fiscal years by decreasing the amount of the deficit by 50% in FY16 and eliminating the deficit in FY17. The following table clarifies the implementation strategy using various examples:

Current Fee	Full Cost	Deficit	FY16 Fee	FY17 Fee
\$206	\$306	\$94	\$306	\$306
\$206	\$350	\$144	\$278	\$350

As the table above shows, the first fee has a deficit of \$94; therefore the fee will increase to full cost in FY16. For the second example the deficit is \$144, which is greater than the \$120 deficit limit. As such the deficit is evenly spread over the next two fiscal years (\$72 per year) and added to the current fee (\$206) to arrive at the total cost of \$278 for FY 16 and then \$278 + \$72 results in the full cost of \$350 for FY17.

To truly assess the impact of fee increases on the Department's revenue it is important to identify the base revenue that would be collected by the Department if fees were not increased in FY16. The project team used the same annualized workload and projected what the Department's revenue for FY16 would be, if there were no fee increases at all. The total projected revenue for the Department in FY16 with no fee increases would be \$23,600,183. The table on the following page shows the revenue

breakout by phases assuming no fee increases:

No Fee Increase	
User Fees	FY16
Phase I ⁶	\$20,003,194
Phase II	\$2,028,701
Miscellaneous ⁷	\$1,568,288
TOTAL	\$23,600,183

As the table above shows the bulk of the revenue generated is associated with Phase I fees. The following table shows revenue projections for the next five fiscal years for all fees included in the analysis for the chosen fee increase approach.

Implementation Strategy – Minimum \$120 Increase to Full Cost, 50% Year 1, 50% Year 2					
User Fees	FY16	FY17	FY18	FY19	FY20
Phase I	\$23,225,445	\$24,532,137	\$24,532,137	\$24,532,137	\$24,532,137
Phase II	\$2,631,860	\$3,222,726	\$3,222,726	\$3,222,726	\$3,222,726
Miscellaneous	\$1,568,288	\$1,568,288	\$1,568,288	\$1,568,288	\$1,568,288
TOTAL	\$27,425,593	\$29,323,151	\$29,323,151	\$29,323,151	\$29,323,151

The table above reflects that this chosen approach results in \$3.8 million more revenue when compared to no fee increases and that the biggest contributor is Phase I fees. To provide additional context to these projections, the following table provides a breakout of revenue by Department or Funding source for the next five fiscal years.

Implementation Strategy – Minimum \$120 Increase to Full Cost, 50% Year 1, 50% Year 2					
Department	FY16	FY17	FY18	FY19	FY20
Planning & Zoning	\$467,848	\$626,080	\$626,080	\$626,080	\$626,080
Watershed	\$992,381	\$1,327,169	\$1,327,169	\$1,327,169	\$1,327,169
Development Services	\$25,898,312	\$27,284,498	\$27,284,498	\$27,284,498	\$27,284,498
Other	\$67,053	\$85,405	\$85,405	\$85,405	\$85,405
TOTAL	\$27,425,593	\$29,323,151	\$29,323,151	\$29,323,151	\$29,323,151

As the table above shows the Development Services Department (DSD) possesses the largest share of the revenue collected by PDRD, varying from 93% - 94% over the next five years.

⁶ Phase I fees were calculated by Public Financial Management in a Cost of Services Study conducted in FY12.

⁷ Miscellaneous fees were not included in Phase I or Phase II studies. As such revenue projections are based on current fees, with no projected increases.

6. POLICY CONSIDERATIONS

A “user fee” is a charge for service provided by a governmental agency to a public citizen or group. Local governments are providers of many types of general services to their communities. While all services provided by local government are beneficial to constituents, some services can be classified as globally beneficial to all citizens, while others provide more of a direct benefit to a specific group or individual. The following table provides examples of services provided by local government within a continuum of the degree of community benefit received:

Services that Provide General “Global” Community Benefit	Services that Provide Both “Global” Benefit and also a Specific Group or Individual Benefit	Services that Provide a Primary Benefit to an Individual or Group, with less “Global” Community Benefit
<ul style="list-style-type: none"> • Police • Park Maintenance 	<ul style="list-style-type: none"> • Recreation / Community Services • Fire Suppression / Prevention • Code Enforcement 	<ul style="list-style-type: none"> • Building Permits • Planning and Zoning Approval • Site Plan Review • Engineering Development Review • Facility Rentals

Funding for local government is obtained from a myriad of revenue sources such as taxes, fines, grants, special charges, user fees, etc. In the table above, services in the “global benefit” section tend to be funded primarily through voter approved tax revenues. In the middle of the table, one typically finds a mixture of taxes, user fee, and other funding sources. Finally, in the “individual / group benefit” section of the table lie the services provided by local government that are typically funded almost entirely by user fee revenue.

The following are two central concepts regarding the establishment of user fees:

- **Fees should be assessed according to the degree of individual or private benefit gained from services.** For example, the processing and approval of a land use or building permit will generally result in monetary gain to the applicant,

whereas Police and Fire services are examples of services that are essential to the safety of the community at large.

- **A profit making objective should not be included in the assessment of user fees.** State laws and best management practices dictate that the charges for service be in direct proportion to the costs associated with providing those services.

Therefore, it is commonly accepted that user fees are established at a level that will recover up to, and not more than, the cost of providing a particular service.

1. GENERAL POLICY CONSIDERATIONS REGARDING USER FEES

Undoubtedly, there are programs, circumstances, and services that justify a subsidy from a tax based or alternative revenue source. However, it is essential that jurisdictions prioritize the use of revenue sources for the provision of services based on the continuum of benefit received.

Within the services that are typically funded by user fees, the Matrix Consulting Group recognizes several reasons City staff or City Council may not advocate for full cost recovery of services. The following factors are key policy considerations in setting fees at less than 100 percent of cost recovery:

- **Encouragement of desired behaviors.** Keeping fees for certain services below full cost recovery may provide better compliance from the community. For example, if the cost of a permit for a residential tree removal, is higher than the cost of the actual removal of the tree, many citizens will avoid getting the permit.
- **Effect on demand for a particular service.** Sometimes raising the “price” charged for services might reduce the number of participants in a program. This is largely the case in Recreation programs such as camps or enrichment classes, where participants often compare the City’s fees to surrounding jurisdictions or other options for leisure activities.
- **Benefit received by user of the service and the community at large is mutual.** Many services that directly benefit a group or individual equally benefit the community as a whole. Examples include Recreation programs, Planning Design Review, historical dedications and certain types of special events.

The Matrix Consulting Group recognizes the need for policies that intentionally subsidize certain activities. The primary goals of a User Fee Study are to provide a fair and equitable basis for determining the costs of providing services.

Once the full cost of providing services is known, the next step is to determine the “rate” or “price” for services at a level which is up to, and not more than, the full cost amount. The Austin City Council is responsible for this decision, which often becomes a question of balancing service levels and funding sources. The placement of a service or activity within the continuum of benefit received may require extensive discussion. However, with the resulting cost of services information from a User Fee Study, the Council can be assured that the adopted fee for service is reasonable, fair, and legal.

2. CURRENT POLICY REGARDING USER FEES

The City’s current policy is to increase fees that are not at full cost by 25% annually until the fee’s full cost amount is reached. For example, if a permit’s current fee is \$100, but the full cost of the permit is \$450, the associated fee will be raised by 25% annually, until the fee reaches \$450. In the first year, the fee will be raised by \$25, in the second year the fee will be raised by \$31, and so forth, until year eight, when the fee will reach \$477. During the eight years it will take to increase the current fee to full cost recovery, the actual cost of the service will likely have increased, as salary and benefit costs will have increased, and service level processes could have shifted.

Under the current fee increase policy, it would take an average of 6 years for all fees to achieve full cost recovery. There are currently 14 permit fees that will take more than 10 years to achieve full cost recovery, the longest of which is 18 years. Additionally, there are 60 permit fees that will take less than five years to achieve full

cost recovery, which represents a third of the fees assessed.

Nearly one-third of the permits and applications have minimal subsidies (e.g. Total or Partial Demolition, Variances, Hill Country Roadway Ordinance), thereby the 25% per year policy does not impede the Department's ability to achieve full cost recovery in a reasonable timeframe. However, for nearly two-thirds of the Department's fees (e.g. Change of Use, Municipal Utility District (MUD) Consent Agreement, Partial Demolition of a Historical District building) this policy will not only impact the Department's ability to achieve full cost recovery, but also continues the cycle of subsidization.

3. CONSIDERATIONS FOR COST RECOVERY POLICY AND UPDATES

Along with understanding the full cost of providing fee related services, it is important for the Department to discuss, adopt, and implement a formal cost recovery policy, and implement a mechanism for the annual update of fees for service.

(1) Adopt a Formal Cost Recovery Policy

Whenever a cost recovery policy is established at less than 100% of the full cost of providing services, a known gap in funding is recognized and may potentially be recovered through other revenue sources such as general fund transfers or grant supported activities. By implementing a cost recovery policy on a fee-by-fee basis, the Department has the flexibility to subsidize some fees, while allowing for full recovery of other fees. The Department should review current policies to better understand how they impact the Department's cost recovery and consider adopting a formal policy, which enables greater cost recovery.

(2) Adopt an Annual Fee Update / Increase Mechanism

The purpose of a comprehensive update is to completely revisit the analytical structure, service level estimates and assumptions applied in the previous study, and to account for any major shifts in cost components or organizational structures. Between comprehensive updates, the Department could use various options to update fees annually. At a minimum, the Department should use published industry economic factors such as Consumer Price Index (CPI) or other regional factors to update the cost calculations established in the Study on an annual basis. Alternatively, the Department could also consider the use of its own anticipated labor cost increases such as step increases, benefit enhancements, or cost of living raises.

7. COMPARATIVE SURVEY

The Matrix Consulting Group conducted a comparative survey of fees for the Planning and Development Review (PDRD) Department. In order to provide the Department with succinct and comparable data, the project team looked at the following jurisdictions for the comparative fee survey: Dallas, Ft. Worth, San Antonio, Plano, Round Rock, and Cedar Park. These agencies were either similar in population or were in close proximity to the City of Austin, which are typically the primary factors influencing fee setting decisions.

1. KEY COMPARABLE FACTORS

While the User Fee Study provides the Department with a reasonable estimate and understanding of the true costs of providing services, many jurisdictions also wish to consider the local “market rates” for services as a means for assessing what types of changes in fee levels the community can bear. However, a comparative survey does not provide adequate or objective information regarding the relationship of a jurisdiction’s cost to its fees. Two important factors to consider when comparing fees across multiple jurisdictions are: population and operating budget of the Department. The tables on the following page provide statistical information regarding the jurisdictions included in the comparative survey.

Ranking of Jurisdictions by Population

Jurisdiction	2013 Census
Cedar Park	61,238
Round Rock	109,821
Plano	274,409
Ft. Worth	792,727
Austin	885,400
Dallas	1,258,000
San Antonio	1,409,000

Based on the data shown in the table on the previous page, the City of Austin ranks above average to other cities in terms of its population. When looking to compare the City based on population only, Ft. Worth is the closest in size, with Dallas and San Antonio a close second and third.

Ranking of Jurisdictions by Operating Budget

Jurisdiction	FY15 Budget
Cedar Park	\$1,563,844
Round Rock	\$3,030,816
Plano	\$6,554,795
Ft. Worth	\$11,553,018
Dallas	\$28,378,233
San Antonio	\$32,778,361
Austin	\$35,623,104

The Planning and Development Review Department appears to have the largest budget compared to the jurisdictions surveyed. It is important to note that the information presented in this table only includes building and planning services, and certain large cities such as Dallas, San Antonio, and Ft. Worth may have multiple departments and funds that provide these services. As such, additional costs may not be reflected in the table above.

While collecting information, the project team noted that Ft. Worth, San Antonio, and Dallas all have their Building and / or Planning departments in enterprise funds.

2. ISSUES AND POLICY CONSIDERATIONS

Along with population and budget differences, other issues that should be considered when using market surveys to assist in developing fee structures include:

- Each jurisdiction and its fees are different, and many are not based on actual cost of providing services. For example: some jurisdictions provide subsidies for various permits in order to encourage development.
- The same “fee” with the same name may include more or fewer steps or sub-activities. In addition, jurisdictions provide varying levels of service and have varying levels of costs associated with providing services such as staffing levels, salary levels, indirect overhead costs, etc.

In addition to the issues noted above, market surveys can also run the risk of creating a confusing excess of data that will obscure rather than clarify policy issues. When comparing fees across jurisdictions it is important to understand the cost recovery levels of those jurisdictions. The following table shows the cost recovery percentages for the jurisdictions surveyed.

Jurisdiction	FY14 Budget Cost Recovery % ⁸
Round Rock	34%
Austin	56%
San Antonio	92%
Plano	92%
Dallas	97%
Cedar Park	104%
Ft. Worth	111%

The Planning and Development Review department has the second lowest cost recovery percentage of the surveyed agencies. The table above indicates that the average cost recovery level ranges between 90-100% (exception Round Rock) for development services. These percentages are consistent with the industry standard cost recovery percentages of 60-80% for planning and 80-100% for building services.

⁸ The cost recovery percentage reflects FY15 Budgeted Revenue vs. FY15 Budgeted Expenditures for all jurisdictions.

3. CONCLUSION

Because each jurisdiction is different, the Matrix Consulting Group recommends that the information contained in the market comparison of fees be used as a secondary decision-making tool, rather than a tool for establishing an acceptable price point for services. On average, the survey showed that the City's fees are in line with the jurisdictions surveyed, with some fees higher than other cities and other fees significantly lower. The results of the survey are shown as Attachment B to this report.

8. CONCLUSION

The Austin Planning and Development Review Department engaged the Matrix Consulting Group to augment the previous fee study conducted in FY12, analyze the costs associated with providing development review services for fees not included in the previous study, and to project revenue for the Department based upon its chosen approach. To calculate the total cost of each fee and project revenue, the Matrix Consulting Group employed both a widely accepted and defensible methodology, as well as the experience and input of Departmental staff to complete the necessary data collection and discussion to complete the analysis. Departmental management can now use this information to make informed decisions and set its fees to meet the fiscal and policy goal objectives of the Department.

The Department is under-recovering its costs by roughly 44%⁹. While the Study will show an over-collection for some fees (on a per unit basis), and an undercharge for others, overall, the City is providing an annual subsidy to fee payers for all services included in the analysis.

The results of the revenue projection analysis indicate that the fee increases will generate an additional \$3.8 million in revenue. However, looking only at Development Services Department (DSD) revenue, that increase is \$3.3 million, as the remaining \$500,000 revenue is associated with other City departments. A gradual fee increase approach eases the burden on applicants while still allowing DSD to optimize revenue recovery.

⁹ This under-recovery percentage reflects FY15 Budgeted Revenue and Expenditures to be consistent with the percentage used in the Executive summary.

The Department should use the information in this study to inform and develop cost recovery policies not only for the Department as a whole, but also for individual programs. The benefit received by an individual as well as the community as a whole should factor into the level of subsidy provided.

ATTACHMENT A: COST RECOVERY REPORT TABLE

Cost Recovery Report Table - Per Unit

Description	Approved FY 13-14 Fee	Total Cost / Unit	Surplus / (Deficit) per Unit	Cost Recovery %
PLANNING AND DEVELOPMENT REVIEW DEPARTMENT				
ZONING				
Managed Growth Agreement:	\$ -	\$ 6,655	\$ (6,655)	
Project Consent Agreement:	\$ -	\$ 17,724	\$ (17,724)	
Interim to Permanent Zoning:				
< 1 acres	\$ 128	\$ 1,445	\$ (1,317)	
< 10 acres	\$ 245	\$ 3,105	\$ (2,860)	
< 50 acres	\$ 365	\$ 3,917	\$ (3,552)	
< 250 acres	\$ 865	\$ 7,459	\$ (6,594)	
per acre over 250 acres	\$ 3	\$ 116	\$ (113)	
MISCELLANEOUS ZONING FEES				
Capital View Corridor Building Height Determination:				
Level I (Assessment)	\$ 165	\$ 691	\$ (526)	24%
Level II (Analysis)	\$ 165	\$ 1,266	\$ (1,101)	13%
Zoning Compliance Letter	\$ 165	\$ 35	\$ 130	466%
Zoning Verification Letter	\$ 17	\$ 28	\$ (11)	60%
Board of Adjustment:				
Residential Zoning	\$ 388	\$ 1,017	\$ (629)	38%
All Other Zoning	\$ 688	\$ 987	\$ (299)	70%
Sign Review Board				
Residential	\$ 388	\$ 1,000	\$ (612)	39%
Commercial	\$ 688	\$ 1,044	\$ (356)	66%
SUBDIVISION FEES				
Preliminary:				
Regular:				
Base Fee	\$ -	\$ 2,085	\$ (2,085)	
Per Acre	\$ -	\$ 414	\$ (414)	
Drinking Water Protection:				
Base Fee	\$ -	\$ 2,460	\$ (2,460)	
Per Acre	\$ -	\$ 414	\$ (414)	

Cost Recovery Report Table - Per Unit

Description	Approved FY 13-14 Fee	Total Cost / Unit	Surplus / (Deficit) per Unit	Cost Recovery %
Final:				
Regular:				
Base Fee	\$ -	\$ 1,681	\$ (1,681)	
Per Lot	\$ -	\$ 332	\$ (332)	
Drinking Water Protection:				
Base Fee	\$ -	\$ 1,974	\$ (1,974)	
Per Lot	\$ -	\$ 332	\$ (332)	
Final Without Preliminary:				
Regular:				
Base Fee	\$ -	\$ 1,909	\$ (1,909)	
Per Lot	\$ -	\$ 239	\$ (239)	
Drinking Water Protection:				
Base Fee	\$ -	\$ 2,186	\$ (2,186)	
Per Lot	\$ -	\$ 349	\$ (349)	
MISCELLANEOUS SUBDIVISION FEES				
Administrative Revision to an approved Preliminary Plan	\$ 275	\$ 1,317	\$ (1,042)	21%
Subdivision Construction Plans				
Concurrent	\$ 704	\$ 5,207	\$ (4,503)	14%
Non-Concurrent	\$ 1,161	\$ 5,207	\$ (4,046)	22%
Land Status Determination Fee	\$ -	\$ 164	\$ (164)	0%
MUD Consent Agreement (Preliminary & Finals w/out Preliminary Plans)	\$ 275	\$ 3,104	\$ (2,829)	9%
Plat / Plan:				
Amendment	\$ 168	\$ 1,215	\$ (1,047)	14%
Extension of Preliminary Plan	\$ 135	\$ 686	\$ (551)	20%
Name Change (Subdivision)	\$ 55	\$ 383	\$ (328)	14%
Vacation:				
No Plan Submitted	\$ 275	\$ 1,006	\$ (731)	27%
Plan Submitted	\$ 55	\$ 1,006	\$ (951)	5%
Re-subdivision requiring notice of public hearing	\$ 495	\$ 1,998	\$ (1,503)	25%
Variance - Applicant Requested:				
Water-shed related	\$ 101	\$ 2,936	\$ (2,835)	3%
Other	\$ 202	\$ 2,564	\$ (2,362)	8%

Cost Recovery Report Table - Per Unit

Description	Approved FY 13-14 Fee	Total Cost / Unit	Surplus / (Deficit) per Unit	Cost Recovery %
MISCELLANEOUS SITE PLAN FEES - I				
Hill Country Roadway Ordinance - Waiver or Bonus				
First	\$ 275	\$ 477	\$ (202)	58%
Subsequent	\$ 110	\$ 250	\$ (140)	44%
Restrictive Covenant Amendment	\$ 344	\$ 1,634	\$ (1,290)	21%
Site Plan				
Change of Use	\$ 50	\$ 469	\$ (419)	11%
Exemption	\$ 50	\$ 70	\$ (20)	72%
Extension - 1st	\$ 165	\$ 337	\$ (172)	49%
Extension - Subsequent	\$ -	\$ 745	\$ (745)	0%
Record Retrieval Fee (per trip) - Processing Fees	\$ -	\$ 45	\$ (45)	0%
Variance	\$ 330	\$ 379	\$ (49)	87%
TRAFFIC IMPACT ANALYSIS				
Trips / Day:				
0-5,000 trips / day	\$ 2,000	\$ 1,783	\$ 217	112%
5,001 - 15,000 trips / day	\$ -	\$ 3,037	\$ (3,037)	0%
15,000+ trips / day	\$ 5,000	\$ 5,546	\$ (546)	90%
Traffic Impact Analysis Revisions	50% of Fee	50% of Fee		0%
Shared Parking Analysis	\$ -	\$ 957	\$ (957)	0%
Offsite Parking	\$ -	\$ 567	\$ (567)	0%
Neighborhood Traffic Analysis	\$ -	\$ 664	\$ (664)	0%
MISCELLANEOUS SITE PLAN FEES - II				
Utility & Storm Sewers:				
< .25 acres	\$ -	\$ 1,152	\$ (1,152)	
< .5 acres	\$ -	\$ 1,152	\$ (1,152)	
< 1 acres	\$ -	\$ 1,152	\$ (1,152)	
< 2 acres	\$ -	\$ 1,199	\$ (1,199)	
< 4 acres	\$ -	\$ 1,245	\$ (1,245)	
< 7 acres	\$ -	\$ 1,434	\$ (1,434)	
< 10 acres	\$ -	\$ 1,481	\$ (1,481)	
<=15 acres	\$ -	\$ 1,619	\$ (1,619)	
> 15 acres	\$ -	\$ 1,712	\$ (1,712)	
per acre over 15 acres	\$ -	\$ 90	\$ (90)	

Cost Recovery Report Table - Per Unit

Description	Approved FY 13-14 Fee	Total Cost / Unit	Surplus / (Deficit) per Unit	Cost Recovery %
Street & Drainage:				
Full Development	\$ 965	\$ 4,689	\$ (3,723)	21%
Rough Cut / Prelim with a full development	\$ 139	\$ 963	\$ (824)	14%
Preliminary Clearing for Surveying / Testing	\$ 440	\$ 840	\$ (400)	52%
Variances	\$ 330	\$ 388	\$ (58)	85%
HAZARDOUS PIPELINE BUILDING PLAN REVIEW FEE				
<= \$2,500 valuation (labor & materials)	\$ 32	\$ 24	\$ 8	135%
<= \$5,000 valuation (labor & materials)	\$ 63	\$ 47	\$ 16	133%
<= \$10,000,000 valuation (labor & materials)	\$ 127	\$ 95	\$ 32	134%
per \$1,000	\$ 1.10	\$ 9.48	\$ (8)	12%
> \$10,000,000 valuation (labor & materials)	\$ 12,975	\$ 190	\$ 12,785	6841%
per \$10,000	\$ 1.10	\$ 47.42	\$ (46)	2%
MISCELLANEOUS FEES				
BYOB Venue Permit	\$ 100	\$ 100	\$ -	100%
County Recordation Fee (Change of site plan or subdivision records):				
Travis County	\$ 23	\$ 190	\$ (167)	12%
Williamson County	\$ 60	\$ 316	\$ (256)	19%
Relocation Permit	\$ 44	\$ 144	\$ (100)	30%
Re-issuance of Certificate of Occupancy	\$ 10	\$ 12	\$ (2)	83%
Contractors (permit holders) Expired Permits: Building, Electrical, Mechanical, or Plumbing Permits:				
Residential	\$ 75	\$ 27	\$ 48	281%
Commercial	\$ 100	\$ 27	\$ 73	374%
Sound Amplification Permits:				
Outdoor Venue	\$ 50	\$ 249	\$ (199)	20%
All Others	\$ -	\$ 125	\$ (125)	0%
SIGNS				
Sign Permit	\$0.55 / sq. ft.	\$0.55 / sq. ft.		0%
Sign Permit Review:				
Free Standing Signs	\$ 30	\$ 33	\$ (3)	90%
Wall Signs	\$ 20	\$ 22	\$ (2)	90%

Cost Recovery Report Table - Per Unit

Description	Approved FY 13-14 Fee	Total Cost / Unit	Surplus / (Deficit) per Unit	Cost Recovery %
Historical District Sign Review	\$ -	\$ 174	\$ (174)	0%
Sign Removal and Relocation Fee	\$ 120	\$ 77	\$ 43	156%
City Outdoor Advertising (Sign) License	\$ 110	\$ 11	\$ 99	988%
TEMPORARY USES				
Temporary Use Permit	\$ 50	\$ 58	\$ (8)	87%
Circus, Carnival, Theatrical Show, Riding Device, or Skill or Chance Booth Permit - per day	\$ 55	\$ 58	\$ (3)	95%
Fast Track Certification Fee	\$ -	\$ 11	\$ (11)	0%
PROCESSING MANAGEMENT:				
Planned Development Area Creation:				
< 10 acres	\$ 2,945	\$ 7,089	\$ (4,144)	42%
< 50 acres	\$ 6,155	\$ 9,390	\$ (3,235)	66%
< 250 acres	\$ -	\$ 11,305	\$ (11,305)	
Per acre over 250 acres	\$ -	\$ 116	\$ (116)	
Planned Unit Development (PUD) Creation:				
< 10 acres	\$ -	\$ 8,485	\$ (8,485)	
< 50 acres	\$ -	\$ 10,786	\$ (10,786)	
< 250 acres	\$ -	\$ 12,701	\$ (12,701)	
Per acre over 250 acres	\$ -	\$ 116	\$ (116)	
Revision Requiring Commission and Council Approval	\$ 205	\$ 5,624	\$ (5,419)	4%
Municipal Utility District (MUD):				
Creation	\$ 5,060	\$ 50,891	\$ (45,831)	10%
Per Acre	\$ 24	\$ 129	\$ (105)	19%
Out-of-District Service Request	\$ 1,045	\$ 4,367	\$ (3,322)	24%
Per Acre	\$ 24	\$ 175	\$ (151)	14%
Annexation to a MUD	\$ 1,045	\$ 443	\$ 602	236%
Per Acre	\$ 24	\$ 180	\$ (156)	13%
MUD Amendment	\$ 528	\$ 321	\$ 207	164%
Public Improvement District (PID):				
Creation	\$ -	\$ 33,180	\$ (33,180)	
Neighborhood Plan Amendment Application Fee	\$ 450	\$ 2,308	\$ (1,858)	19%

Cost Recovery Report Table - Per Unit

Description	Approved FY 13-14 Fee	Total Cost / Unit	Surplus / (Deficit) per Unit	Cost Recovery %
GIS Plots Ortho Maps:				
E-Size	\$ 35	\$ 32	\$ 3	109%
D-Size	\$ 25	\$ 29	\$ (4)	86%
C-Size	\$ 18	\$ 29	\$ (11)	62%
Ledger	\$ 15	\$ 29	\$ (14)	52%
HISTORIC PRESERVATION FEES				
Total Demolition / Relocation Review - Principal Building				
Located w/in a Local / National Historic District or 40 years or older	\$ 140	\$ 381	\$ (241)	37%
Not located w/in a Local / National Historic District or 40 years or older	\$ 31	\$ 366	\$ (335)	8%
Partial Demolition - Principal Building				
Located w/in a Local / National Historic District or 40 years or older	\$ 39	\$ 381	\$ (342)	10%
Not located w/in a Local / National Historic District or 40 years or older	\$ 39	\$ 146	\$ (107)	27%
Total or Partial Demolition - Accessory Building	\$ 39	\$ 55	\$ (16)	71%
Historic Landmark Commission Processing Fees				
Building Permit Applications w/in National Register of Historic Districts	\$ 100	\$ 335	\$ (235)	30%
Certificate of Appropriateness	\$ 100	\$ 289	\$ (189)	35%
Historic Zoning Application	\$ 391	\$ 518	\$ (127)	75%
NEW FEES				
Mobile Retail	\$ -	\$ 14	\$ (14)	0%
Use Determination	\$ -	\$ 135	\$ (135)	0%
WATERSHED FEE SCHEDULE				
WATER QUALITY CONTROLS				
Annual Operating Permit for Water Quality Controls				
Level 1	\$ -	\$ 376	\$ (376)	0%
Level 2	\$ -	\$ 1,155	\$ (1,155)	0%
Commercial Pond Non-Compliance Fee (Re-inspection Fee)	\$ 100	\$ 100	\$ -	100%
UNDERGROUND HAZARDOUS MATERIAL STORAGE AND REGISTRATION				
Underground Storage Tank Construction Permits - Total Estimated Project Cost				
\$500 - \$4,999	\$ 50	\$ 131	\$ (81)	38%
\$5,000 - \$49,999	\$ 80	\$ 172	\$ (92)	46%
\$50,000 - \$99,999	\$ 155	\$ 314	\$ (159)	49%
\$100,000+	\$ 235	\$ 638	\$ (403)	37%

Cost Recovery Report Table - Per Unit

Description	Approved FY 13-14 Fee	Total Cost / Unit	Surplus / (Deficit) per Unit	Cost Recovery %
All Closures	\$ 75	\$ 78	\$ (3)	96%
Hazardous Materials Permit Fee - Total Gallons of Capacity				
0 - 500 gallons	\$ 65	\$ 313	\$ (248)	21%
500 - 999 gallons	\$ 125	\$ 313	\$ (188)	40%
1,000 - 9,999 gallons	\$ 190	\$ 392	\$ (202)	48%
10,000 - 24,999 gallons	\$ 250	\$ 392	\$ (142)	64%
25,000 - 49,999 gallons	\$ 315	\$ 470	\$ (155)	67%
50,000+ gallons	\$ 375	\$ 470	\$ (95)	80%
Reinspection Fee	\$ 50	\$ 81	\$ (31)	62%
TREE FEES				
Tree Permit Commercial	\$ 100	\$ 122	\$ (22)	82%
Residential Development Plan Review	\$ 50	\$ 261	\$ (211)	19%
Predevelopment Consultation	\$ -	\$ 87	\$ (87)	0%
Utility Repair / Replacement	\$ -	\$ 103	\$ (103)	0%
Other	\$ -	\$ 104	\$ (104)	0%
MISCELLANEOUS SITE PLAN FEES				
Consolidated Site Plan Revisions	\$ 100	\$ 477	\$ (377)	21%
Construction Plan Review revisions	\$ 55	\$ 325	\$ (270)	17%
Variance:				
Administrative	\$ 330	\$ 355	\$ (25)	93%
Boards / Commissions	\$ 1,430	\$ 6,725	\$ (5,295)	21%
SITE PLANS NOT REQUIRING LAND USE PERMITS				
Street & Drainage:				
Rough Cut / Prelim without a full development	\$ 381	\$ 1,926	\$ (1,545)	20%
MISCELLANEOUS DEVELOPMENT PERMIT FEES				
Inspection for Additional Phasing	\$ 450	\$ 735	\$ (285)	61%
Variance:				
Floodplain Model Maintenance Fee	\$ 1,000	\$ 684	\$ 316	146%

ATTACHMENT B: COMPARATIVE SURVEY

City of Austin, TX
Comparison Survey of Fees

Fee Title	Austin	Dallas	Ft. Worth	San Antonio	Plano	Round Rock	Cedar Park
Certificate of Occupancy	Temporary Certificate of Occupancy: Current = \$750 @100% Cost Recovery = \$299 Re-issuance of Certificate of Occupancy: Current = \$10 @100% Cost Recovery = \$12	Temporary Certificate of Occupancy = \$104 + \$215 Application Fee = \$309	Temporary Vendors = \$60 Change of Occupancy = \$73	Temporary Certificate of Occupancy: Residential = \$150 Commercial = \$200 Duplicate Copy of Certificate = \$5 + (tax)	Temporary = \$100 + \$100 for each of the coordination (e.g. Health, Mechanical, Electrical)	N / A ¹	N / A
Regular Rezoning	Current: < .25 acres = \$1,005 < .50 acres = \$1,230 < 1 acre = \$1,470 < 2 acres = \$1,405 < 4 acres = \$1,740 < 7 acres = \$2,670 < 10 acres = \$2,670 <=15 acres = \$2,680 > 15 acres = \$2,680 + \$61 / acre	0-1 acre = \$1,050 1-5 acres = \$2,610 5-15 acres = \$5,820 15-25 acres = \$9,315 25+acres = \$9,315 + \$113 / acre (max = \$7,500)	0-1 acre = \$1,000 1-5 acres = \$1,300 5-10 acres = \$1,600 10-25 acres = \$2,000 25+ acres = \$2,000	0-0.5 acres = \$770 0.51-5 acres = \$1,725 5.01-10 acres = \$3,110 10-25 acres = \$5,500 25+ acres = \$5,690 + \$110 / acre (max = \$11,500)	Commercial: 0-50 acres = \$1,500 50+ acres = \$1,500 + \$10 / acre Residential = \$600	0-30 acres = \$750 30+ acres = \$900	0-2 acres = \$0 3+ acres = \$300 + \$25 / acre (max = \$25,000)
Zoning Verification Letter	Current = \$17 @100% Cost Recovery = \$28	\$90	\$50	\$350 / letter	\$50	\$50	\$50

¹ For jurisdictions that have an "N / A" noted either the data was not available or the jurisdiction did not charge any such fee (with a similar name or similar concept).

**City of Austin, TX
Comparison Survey of Fees**

Fee Title	Austin	Dallas	Ft. Worth	San Antonio	Plano	Round Rock	Cedar Park
Notification	<p>Current = \$377 @100% Cost Recovery = \$560</p>	N / A	N / A	\$250	N / A	<p>\$1 per property owner \$150 per published notice \$20 per on-site public hearing notification sign</p>	<p>\$2 per property within 300 feet + \$300 for 2 newspaper publications</p>
Demolition Permit	<p>Current = \$58 @100% Cost Recovery = \$60</p>	\$42 + \$0.021 x bldg sq. ft.	<p>1-1,000 sq. ft. = \$67 1,001-2,000 sq. ft. = \$136 2,001-3,000 = \$254 3,001-5,000 = \$381 5,001-10,000 = \$510 10,001-20,000 = \$628 20,0001+ = \$1,364</p>	<p>Residential = \$75 Commercial: Single Story = \$100 2-3 stories = \$200 3+ stories = \$650</p>	\$50	N / A	\$50
Relocation Permit	<p>Current = \$44 @100% Cost Recovery = \$144</p>	\$156 per structure or part of structure		<p>On same property in on section = \$18 Over 400 sq. ft. per section per day = \$100</p>	<p>Building in Transit = \$50 Originating = \$100</p>		

**City of Austin, TX
Comparison Survey of Fees**

Fee Title	Austin	Dallas	Ft. Worth	San Antonio	Plano	Round Rock	Cedar Park
Planned Unit Development:	@100% Cost Recovery: < 10 acres = \$7,089 < 50 acres = \$9,390 < 250 acres = \$11,305 + \$116 / acre	0-5 acres = \$5,820 5+ acres = \$5,820 + \$113 / acre	\$800	\$700	0-50 acres = \$1,500 50+ acres = \$1,500 + \$10 / acre	\$2,000 + \$200 / acre	0-10 acres = \$2,000 10+ acres = \$2,000 + \$75 / acre (max \$10,000)
Street Name Change	Current = \$415 @100% Cost Recovery = \$169		\$700	Application Fee = \$1,000	\$250	\$500	N / A
Historic Preservation – Certificate of Appropriateness	Current = \$100 @100% Cost Recovery = \$289	\$0	N / A	\$500 (post work commencement)	N / A	\$0	N / A
Tree Fees	Tree Permit Commercial: Current = \$100 @100% Cost Recovery Fee = \$122 Tree Permit Residential: Current = \$50 @100% Cost Recovery = \$274	\$100	0-5 acres = \$250 5+ acres = \$250 + \$15 / acre	Tree Plan Review (Residential & Commercial) = \$100 Residential Tree Permit = \$35 Commercial Tree Permit = \$75 / acre	N / A	N / A	N / A

City of Austin, TX
Comparison Survey of Fees

Fee Title	Austin	Dallas	Ft. Worth	San Antonio	Plano	Round Rock	Cedar Park
Signs	<p>Sign Permit Review: Free Standing Signs: Current = \$30 @100% Cost Recovery = \$33</p> <p>Wall Signs: Current = \$20 @100% Cost Recovery = \$22</p> <p>Contractor License Fee: Current = \$110</p>	N / A	<p>Application = \$33 + \$21.34 or \$0.20 / s.f.</p> <p>Additional fees for height and electrical signs</p>	<p>Sign Plan Review = \$50 / Permit</p> <p>Contractor License Fee = \$85</p>	<p>Sign Contractor = \$100</p> <p>Non-illuminated signs = \$75</p> <p>Illuminated Signs = \$95 (includes electrical fee)</p>	N / A	<p>New & Temporary = \$2 / sq. ft.</p>
Traffic Impact Analysis	<p>Current: 0-5,000 trips = \$2,000 5,001-15,000 trips = \$0 15,000+ trips = \$5,000</p> <p>@100% Cost Recovery: 0-5,000 trips = \$1,783 5,001-15,000 trips = \$3,037 15,000+ trips = \$5,546</p>	N / A	N / A	<p>Level 1 = \$400 Level 2 = \$1,600 Level 3 = \$1,800</p>	\$1,000	N / A	<p>2,000 – 5,000 Trips = \$1,500</p> <p>5,000 – 10,000 trips = \$2,400</p> <p>10,001 – 15,000 trips = \$3,300</p> <p>15,001 + trips = \$3,700</p>

**City of Austin, TX
Comparison Survey of Fees**

Fee Title	Austin	Dallas	Ft. Worth	San Antonio	Plano	Round Rock	Cedar Park
Plat Fees	<p>Amendment: Current = \$168 @100% Cost Recovery = \$1,215</p> <p>Vacation: No Plan: Current = \$275 @100% Cost Recovery = \$1,006</p> <p>Plan: Current = \$55 @100% Cost Recovery = \$1,006</p>	Amendment = \$900	Vacation = \$400	<p>Amendments = \$600</p> <p>Amendment - Eliminate Lot Line = \$250</p> <p>Vacation = \$350</p>	<p>Amendment = \$250 + \$5 / lot</p> <p>Vacation = \$30</p>	<p>Amending = \$500 + \$25 / lot</p> <p>Vacation = \$500</p>	N / A

**City of Austin, TX
Comparison Survey of Fees**

Fee Title	Austin	Dallas	Ft. Worth	San Antonio	Plano	Round Rock	Cedar Park
Board of Adjustment	<p>Residential Zoning: Current = \$388 @100% Cost Recovery = \$1,017</p> <p>All Other Zoning: Current = \$688 @100% Cost Recovery = \$987</p> <p>Sign Review Board – Residential: Current = \$388 @100% Cost Recovery = \$1,000</p> <p>Sign Review Board – Commercial: Current = \$688 @100% Cost Recovery = \$1,044</p>	<p>Single Family = \$600</p> <p>Multi-Family Variance = \$900 + \$25 / acre</p> <p>Multi-Family Exception or Tree Exception = \$1,200 + \$25 / acre</p> <p>Non-Sign Appeals = \$900</p> <p>Compliance Request for Non-Conforming Use = \$1,000</p>	<p>Residential = \$300</p> <p>Non-Residential = \$500</p>	<p>Homestead Filing Fee = \$400</p> <p>Non-Homestead Case Filing Fee = \$600</p>	<p>Residential = \$265</p> <p>Commercial = \$265</p> <p>Sings = \$265</p>	\$500	\$500 + \$200 non-refundable professional fee

**City of Austin, TX
Comparison Survey of Fees**

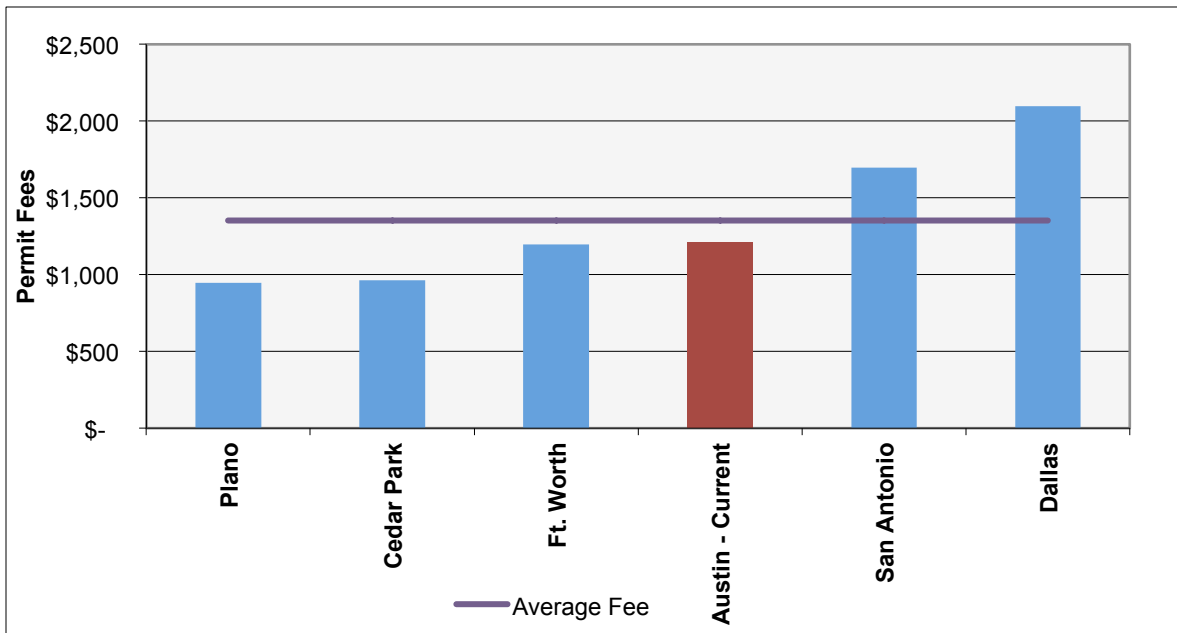
Fee Title	Austin	Dallas	Ft. Worth	San Antonio	Plano	Round Rock	Cedar Park
Subdivision Fees	<p>@100% Cost Recovery: Preliminary = \$2,085 + 414 / acre</p> <p>Final = \$1,681 + \$332 / lot</p> <p>Final w/out Preliminary = \$1,909 + \$239 / lot</p>	N / A	<p>Concept Plan = \$900</p> <p>Preliminary Plat: Single Family = \$700 + \$15 / acre Non-SF = \$700 + \$8 / lot</p> <p>Final Plat: Single Family = \$350 + \$20 / lot Non-SF = \$350 + \$20 / acre</p>	<p>Major: Single Family = \$625 + \$80 / lot</p> <p>Non-Single Family = \$625 + \$550 / acre + \$5 / lot (addressing)</p> <p>Minor: 0-3 acres = \$595 3.01-10 acres = \$805 10.01-20 acres = \$1,075 20+ acres = \$1,610 + \$110 / acre</p> <p>Filing Fee = \$250</p>	<p>Concept Plan = \$350</p> <p>Final Plat = \$250 + \$5 / plat</p> <p>Minor Plat = \$250 + \$5 / lot</p>	<p>Full Site Plan = \$1,000</p>	<p>Planning Department only Fees²:</p> <p>Preliminary = \$500 + \$48 / lot or acre</p> <p>Final = \$700 + \$8 / lot or acre</p> <p>Short Form Final Plat = \$500</p>

² Does not include fees associated with Public Works, Fire Marshal, or other Professional Reviews

**CITY OF AUSTIN, TX
BUILDING FEE COMPARATIVE SURVEY**

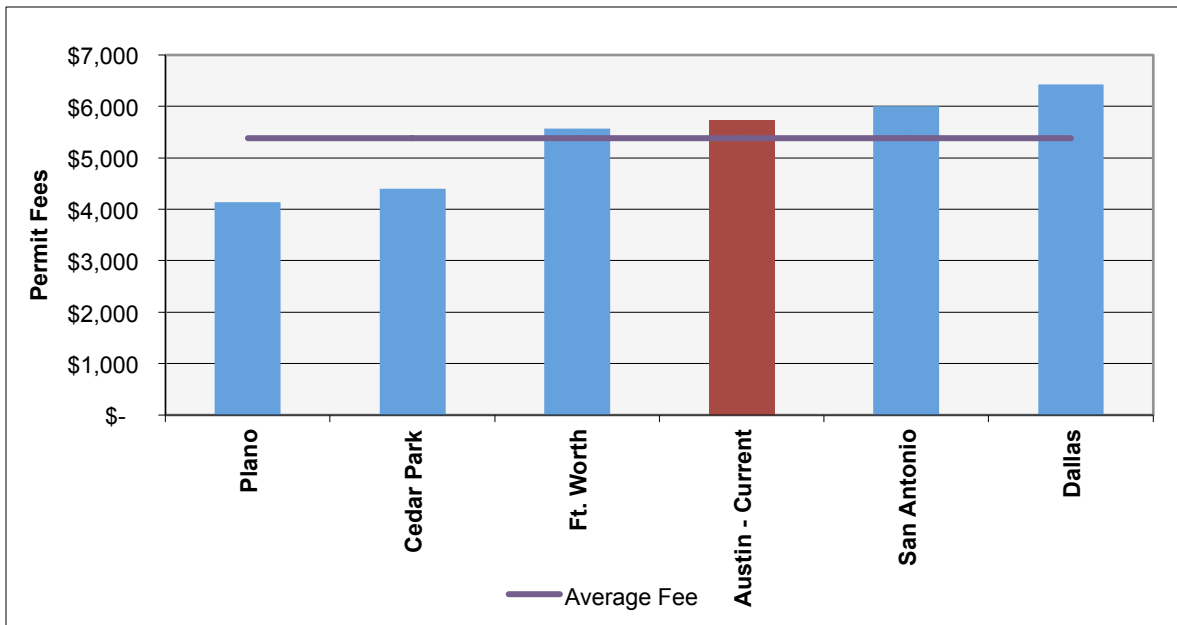
Sample Comparable A:

Total Permit: New Residential Construction, \$313,535 valuation, 3,100 square feet.



Sample Comparable B:

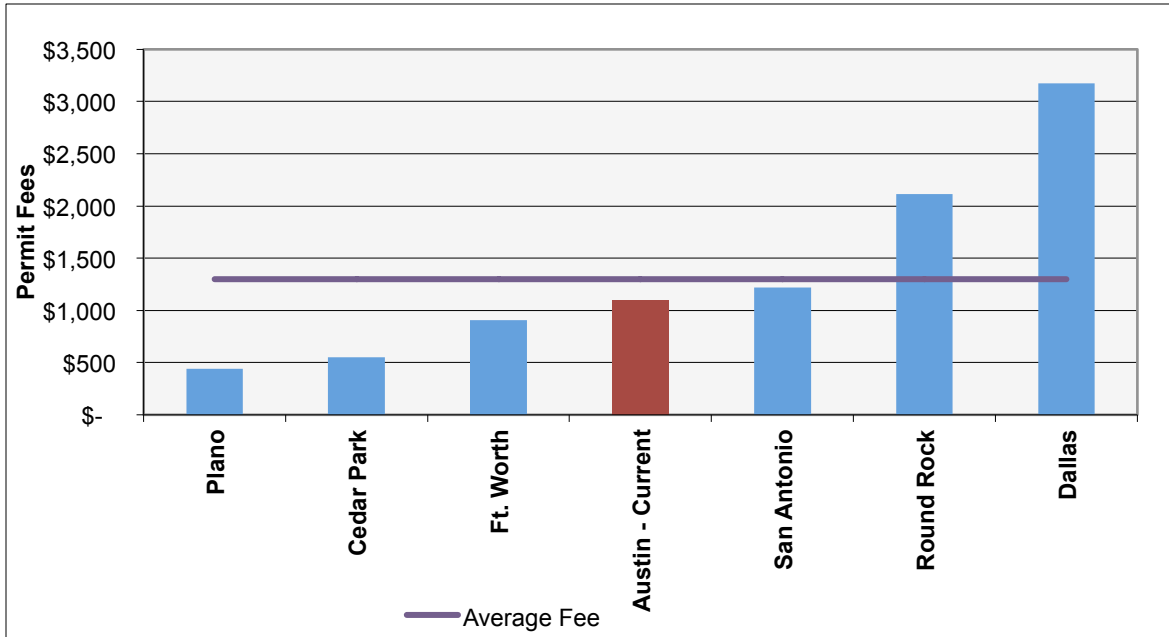
Total Permit: Retail Shell Building, \$1,081,600 valuation, 20,000 square feet.



**CITY OF AUSTIN, TX
BUILDING FEE COMPARATIVE SURVEY**

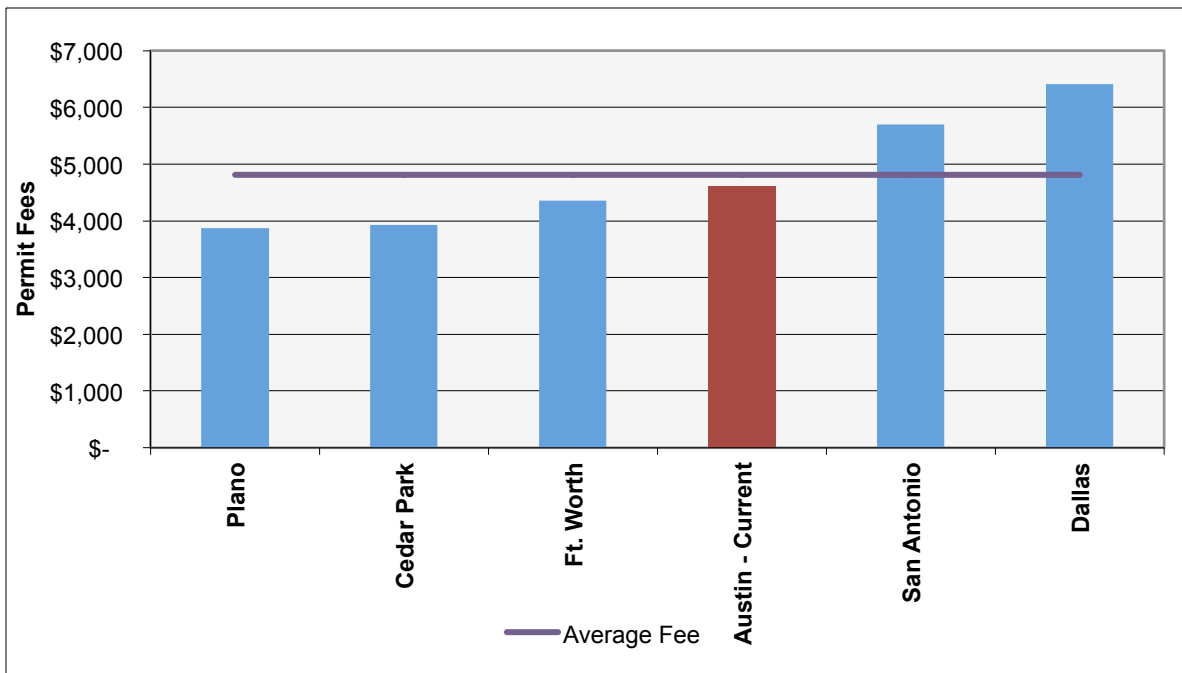
Sample Comparable C:

Total Permit: Office - Tenant Improvement, \$120,900 valuation, 3,000 square feet.



Sample Comparable D:

Total Permit: New Restaurant Construction, \$300,000 valuation, 10,000 square feet.



**CITY OF AUSTIN, TX
BUILDING FEE COMPARATIVE SURVEY**

Sample Comparable E:

Total Permit: New Restaurant Construction, \$300,000 valuation, 10,000 square feet.

