



## Council Budget Workshop

### Regulatory User Fees Discussion

May 18, 2015



## User Fees Background

- Regulatory Fees:
  - FY2006- Fully-allocated Cost Recovery rate of 100%
  - Fees remained flat (FY2009-FY2012)
  - FY2013-Multi-year to gradually return to 100% full recovery
  - FY2016 - Considering budget shortfall and stress on general fund needed compelling justification to continue subsidizing the cost of the service
- Recommended FY2016 Regulatory Fees generate additional \$1.4m revenue

Cost Recovery			
FY2013	FY2014	FY2015	FY2016
75.0%	80.0%	83.3%	93.8%



## Community Outreach

- Interdepartmental staff team hosted a meeting on 5/7/2015 with representatives from the development community to discuss proposed user fee changes and concerns
- Representatives included:
  - REBIC
  - Charlotte Chamber
  - Bissell
  - Knotts Development
  - Pace Development
  - Charter Properties
  - Childress Klein
  - Woodfield Investments
  - Pappas Properties

2



## Outreach

- Summary of key issues:
  - Fees increasing too dramatically
  - Costs to do business in the city and county getting too expensive
  - Quality of services need to increase commensurate with fees
  - Need a broader look at how we maintain the City's competitiveness with other cities and in the surrounding area (i.e fees, infrastructure financing, review and approval processes and etc.)
  - Considering issues at the State, don't want to send the message we aren't a business friendly city
  - All willing to pay for higher quality services
  - Need to consider and implement Gartner Report
- Staff scheduled to attend Chamber Land Use Committee meeting 5/27/2015 to continue user fee discussion

3



Most Frequently Cited Examples of Proposed FY2016 Changes in User Fees

Regulatory Fee	Current Fee	FY16 at 100%	% Change
Transportation - Commercial Bldg./Driveway Permit	\$100-300	\$740	146.0%
Transportation - Rezoning Major	\$1,400	\$3,770	169.3%
Engineering & Property Management - Major Commercial Subdivision (base fee) + \$100/acre	\$3,740	\$8,110	116.8%
Engineering & Property Management -Major Residential Subdivision (base fee) + \$100/acre	\$4,200	\$8,535	103.2%
Right of Way Permit Large Festivals (per day fee)	\$350	\$1,070	205.7%

Note: These are individual fees and generally are a part of a more comprehensive process.

4



Other Examples of Proposed FY2016 Changes in User Fees

Regulatory Fee	Current Fee	FY16 at 100%	% Change
Engineering & Property Management - Commercial Tree Ordinance Review & Inspection	\$1,570 + \$10/tree	\$1,370 + \$10/tree	-12.7
Engineering & Property Management - Detention/ Drainage Plan Review & Inspection	\$2,400 + \$100	\$1,970 + 100	-17.9
Transportation-Rezoning Minor	\$1,400	\$770	-45.0
Planning- Preliminary Plan Revisions	\$1,250	\$800	-36.0
Fire-Rezoning Petitions Major & Minor	125	\$70 \$35	-44.0 -72.0

Note: These are individual fees and generally are a part of a more comprehensive process.

5



## Additional Options for Frequently Cited User Fees

	Current FY2015 Fee	FY2016 at 100%	% Change	FY2016 at 90%	% Change over FY2015	% General Fund Subsidy	FY2016 Revenue Impact	FY2016 at 80%	% Change over FY2015	% General Fund Subsidy	Revenue Change	
Transportation - Commercial Bldg/Driveway Permit	\$100-300	\$740	146.0%	\$665	110.0%	10.1%	(\$14,550)	\$590	96.7%	20.3%	(\$29,100)	
Transportation - Rezoning Major	\$1,400	\$3,770	169.3%	\$3,395	142.5%	9.9%	(\$13,875)	\$3,015	115.4%	20.0%	(\$27,935)	
Engineering & Property Management - Major Commercial Subdivision (base fee) plus \$100/acre	\$3,740	\$8,110	116.8%	\$7,300	95.2%	10.0%	(\$6,480)	\$6,490	73.5%	20.0%	(\$12,960)	
Engineering & Property Management - Major Residential Subdivision (base fee) plus \$100/acre	\$4,200	\$8,535	103.2%	\$7,680	82.9%	10.0%	(\$36,765)	\$6,830	62.6%	20.0%	(\$73,315)	
Right-of-Way Permit for Large Festivals (per day fee)	\$350	\$1,070	205.7%	\$965	175.7%	9.8%	(\$5,775)	\$855	144.3%	20.1%	(\$11,825)	
Revenue Impact:							(\$77,445)	Revenue Impact (\$155,135)				

6



**CHARLOTTE**  
MANAGEMENT & FINANCIAL SERVICES

## Council Budget Workshop

### Regulatory User Fees Discussion

May 18, 2015

7