



CITY OF BELFAST, MAINE 04915

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CODE & PLANNING DEPARTMENT

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AGENDA TOPIC 10.

TO: Mayor & City Council
FROM: Wayne Marshall, Director, Code & Planning
DATE: June 12, 2020
RE: Proposed Fee Structure – Code & Planning

REQUESTED ACTION

I am asking for Council direction on establishing a revised permit fee structure for services that our Department provides. I have attached a proposed revised fee structure, our current fee structure, and a few examples of how this revised fee structure would have affected permit fees for several recent projects. I note that the City last reviewed and adjusted the Department fee structure in September 2013. If the Council supports this revised fee structure, the Department recommends that it take effect on July 1, 2020.

WHY IS THE DEPARTMENT BRINGING THIS PROPOSAL FORWARD?

Manager Herbig first approached me on April 29 and asked me to review the Department's current fee structure and to identify if and how it may be appropriate to increase fees to help generate new revenues for the City. I discussed our current fee schedule with Bub Fournier, CEO, Erica Nealley, Administrative Assistant, and Jon Boynton, Planner. This discussion resulted in my April 30 memorandum to Manager Herbig in which I outlined potential changes. I subsequently discussed these potential changes with the City Council during the Council's May 22 review of the Department's FY 2021 budget. The Council requested that I formally present a revised fee schedule for your consideration.

In presenting this proposal, I also want to make it clear that Department staff had internally been discussing the need for changes to the current fee schedule prior to receiving the April 29 request from Manager Herbig. A lot has changed since 2013. The Department now has nearly 9 years of experience in implementing requirements of the State Building Code and how this affects the Department's workload, particularly that of the CEO and Administrative Assistant. There are new uses that we never needed to consider in the past, commercial solar being the most significant. And, it is clear that the Director and Planner are devoting considerably more time to the review of site plan, contract rezoning, and use permit applications than the fees that we currently assess.

DESCRIPTION OF FEE STRUCTURE AND THE PROPOSED CHANGES.

Our Department assesses fees for many of the services that we provide. Per authority granted in City Ordinances, the Council typically establishes the amount of the permit fees that we assess. Two notable exceptions are internal plumbing fees and fees associated with the installation of a subsurface system, both of which are established by the State. I note that the State receives 25% of those two fees that we collect. Our current fee structure was established in September 2013.

Following is an explanation of significant changes in the proposed fee structure. You should refer to the two attached Table of Fees, current and proposed, to assist you in your review.

Building Permits.

The most common permit that we issue is a building permit. In 2013, our Department requested that the City institute a new approach for calculating the amount of a building permit fee. The Council approved our recommendation to use the amount of square feet of the structure to calculate the amount of fee rather than the cost of construction. We are now recommending that the City again use the cost of construction approach to calculate the amount of fee. We believe our current recommendation better reflects the amount of work (services) provided by our Department in conducting required inspections. Following are some examples provided by Bub Fournier, CEO.

- Based on estimated cost: New Construction uses ICC method, Existing Construction uses comparison of Applicant Estimated Cost and Building Officials Estimated Cost and may require written estimates. Keep minimum \$50 for one-two family and \$75 for commercial.
- New 5,723 sq ft 3 bedroom single family home with a 2 car garage valued at \$890,00 under construction in Belfast. Current fee of \$1,256. Proposed fee schedule would result in cost of \$5,256.
- For Example: Building Permit for new garage 24'x24' , ICC \$48.30 per sqft equals \$27,820.80. $\$27,820.80 \times .0075 = \208 building permit fee, this permit would currently cost \$69.
- For Example: Building Permit for \$50,000 renovation job would cost \$375 under this proposal. This permit would currently be \$50 if it included less than 500 sqft on residential home.
- For Example: Building Permit for new 12'x20' deck valued at \$48.30 per sqft for \$11,592 by ICC would be \$86, this permit would currently cost \$50.

The proposed changes also establish a specific fee for a residential reroofing or residing job, \$25.00. There is no fee specifically identified on the current table and we typically did not assess a fee for this type of work. In addition, the proposed fee structure makes it clear that marine improvements involve a building permit fee.

The proposed change in building permit fees has the greatest likelihood of resulting in increased annual revenues. The increase likely will exceed \$10,000, and could be considerably more based on the amount of development and type of development that occurs in a particular year.

Occupancy Permits.

The proposed fee structure establishes a specific cost for the issuance of an occupancy permit. The City currently does not assess a specific fee for an occupancy permit. I note that some requests for occupancy permits do not involve a new building permit, thus, we are conducting a final inspection and issuing an occupancy permit with no fee accompanying this service. This change should result in \$1,500 to \$2,500 in new revenues.

Electrical Permits.

In 2013, similar to our approach to Building Permits, the Department requested that we use a square foot cost to determine the amount of fee. We are now recommending that the City use the cost of the electrical construction (in addition to a base minimum fee), to determine the permit cost. We believe this approach is more representative of the amount of electrical work being performed, and the amount of inspection services that the CEO provides.

Fee based on 1% of cost (multiply cost by .010) plus current base fees (\$50 for one-two family and \$75 for commercial).

- For Example: Electrical permit for new \$10,000 project to wire 1,800 sqft home - \$50 plus \$50 ($\$10,000 \times .010$) = \$150. Current permit would cost \$167.
- For Example: Electrical permit for \$300,000 project to upgrade cell phone tower equipment - \$75 plus \$1,500 ($\$300,000 \times .005$) = \$1,575. This would currently be a \$75 permit.

The proposed change will not have a major impact on annual revenues, except for years in which major project developments occur.

Solar

We are establishing a specific fee structure for solar installations of all sizes. Establishing the proposed fee at this time is particularly important because of the potential for the development of one or more commercial solar installations in Belfast. This proposal would result in a permit fee of about \$19,400 for the proposed solar installation on Perkins Road (I note that our current fee structure could result in a fee of nearly \$120,000, which makes little sense). The cost for an 8Kw residential system costing \$20,000 would be \$150 ($\$20,000 \times .0075$) plus \$18 = \$168, compared to the current fee of \$50 for a building permit, plus \$50 for electrical = \$100.

This change will typically result in only a modest annual increase in revenues; however, the City may experience some one-time bumps in revenues due to the installation of a commercial solar field.

Sheds, Fences, Pools, Mobiles Homes & Signs.

The Department is not proposing any change to the current fee structure for these permits.

Home Occupations.

We propose doubling the current fees, mostly because of the amount of work involved by either the CEO or Planning Board in the review of these applications. This change would result in a very modest change in annual revenues, perhaps \$500 per year.

Shoreland Permits.

We propose to increase the fee for many Shoreland permits, as well as identifying specific fees for work that the Department performs in the review of certain Shoreland Permits. For example, we are establishing a specific fee for the review of cutting vegetation/trees in a Shoreland area. The current fee structure is silent on this issue. Although we don't receive a lot of requests for such, we propose increasing the amount of fee from \$150 to \$500 for a dock permit that requires Planning Board review because these permits also require review by the Harbor Committee; in short, considerable staff time. The proposed change should result in an increase in revenues, although the increase likely will be very modest; perhaps \$1,000 to \$2,000/year.

Floodplain Permits.

The interpretation and application of floodplain requirements, particularly for projects in the VE zone and the expansion of existing structures in the floodplain, requires extensive staff time. Thus, we propose to increase permit costs from \$50 to \$100 for residential permits and \$200 for nonresidential permits. The City does not process a significant number of floodplain permits each year, thus, this will not result in any measurable change in revenues.

Use Permits.

The City typically requires a Use Permit when a new project or change of use is proposed. For example, Planning Board review of Destioney Pinkham's recent proposal to establish the RipTide Smoke Shop in a former single family house. We propose to significant changes to the current fee structure for permits that require Planning Board review because of the amount of time involved in such reviews. For example, the fee for the Rip Tide project would increase from \$100 to \$250, as would the cost of Board review of a non-conforming expansion. I estimate that the proposed change would result in an annual increase of revenues of about \$2,000 to \$2,500 in a typical year.

Site Plan Permits.

Site Plan permits are associated with projects that have buildings that are greater than 3,000 square feet in size (note, we do not require homes greater than 3,000 sq ft to obtain a site plan permit). The Department is proposing significant increases in permit fees, mostly because of the amount of time that the Planner and Director devote to processing site plan applications. We also recommend establishing a specific fee for multi-family housing (per State statute [2018] that now is reviewed

via the Site Plan Ordinance rather than the Subdivision Ordinance) and gravel pit applications, and a specific fee for a project that has a substantial impact on the environment. The proposed fee structure would have resulted in the two housing projects on Wight Street paying an application fee of about \$5,000 instead of \$3,000 under the current schedule. The amount for a gravel pit application is mostly so we have a specific fee on the books, since a gravel operation does not involve a structure.

Continuing, the fee for a project that has a significant impact on the environment is being recommended because we have had our first application that required review under this standard in 20 years, Nordic Aquafarms. The City assessed the standard Site Plan fee, \$3,000, for City staff time involved with the review of the Nordic permit. Clearly, Nordic paid a much larger fee, \$102,500, so the City could hire outside engineering review, legal services and rent meeting space meeting, but all of these funds went to specific costs that the City incurred. I recommended a fee of \$15,000, but this fee is much less than the equivalent amount of staff time involved with the review of the permit application. I also note that the City never assessed any fee for any work performed by its staff or City Attorney until such time as a permit application was submitted for the Nordic project or any other site plan or subdivision project.

I am uncertain of the amount that would be raised by these proposals, but it will result in the City receiving more annual revenues in years in which larger projects are proposed.

Also, I am proposing to use the Site Plan review fee structure to establish the fee structure for contract rezoning applications.

Subdivisions.

This proposal results in an increase in permit fees for subdivisions similar to those proposed for site plans. A subdivision plan can involve considerable staff time. This proposed change likely will have negligible impacts on annual revenues, mostly because of the limited amount of subdivision development in Belfast in the past 10 years.

Zoning Board of Appeals

We are recommending an increase in fees, and the establishment of a specific fee for an appeal review of a Planning Board Site Plan or Subdivision plan application, mostly because of the amount of staff time involved with any appeal. Further, many appeals require the involvement of City Attorney, either to work with the Appeals Board or to represent the Planning Board, however, the City does not charge a fee for legal services. The Board of Appeals rarely meets (recently only 1 or 2 times a year), thus, the increases will have a negligible impact on annual revenues.

Intown Design Review

The City has never assessed a fee for any permit from the Intown Design Review Committee. I am recommending that the City establish two minor fees; \$100 for a Type 1 permit (mandatory compliance), and \$50 for a Type 3 permit (voluntary compliance). The Committee has now been in existence for nearly 19 years. City staff (Planner or Director) devote real time to working with

the Committee on permit reviews. I believe this minimal fee is warranted. If this fee system was instituted, the City likely would receive \$1,000 to \$1,500 in annual revenues.

SUMMARY COMMENTS

All fee systems are likely plagued by some degree of inequality; there is no perfect system. Belfast's fees are not as high as some communities, or as low as others. I would characterize our fees as being closer to the middle of the pack for communities that must enforce the State MUBEC Code. In preparing the proposed changes, we have tried to reflect assessing fees that have a reasonable correlation to the amount of services that the Department provides. While we believe this system makes sense, the Council has the authority to establish a system that you believe is appropriate for Belfast. We are prepared to work with you to discuss and institute changes.

Also, we believe it makes sense to implement this schedule sooner rather than later. We suggested a start date of July 1, but again, you should use your judgement.



CITY OF BELFAST

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June 12, 2020

Permit Fees

CITY OF BELFAST PERMIT FEE SCHEDULE (June 16, 2020 Proposal to City Council)

<u>Permit Type</u>	<u>Fee Amount</u>
<u>Building</u>	
Residential	\$50.00 Minimum fee. Permit fee will be calculated based on .0075 times construction costs. New Construction costs based on published International Code Council sq ft costs. Remodel costs based on estimates from applicants and CEO estimates. Written estimates may be required.
Commercial	\$75.00 Minimum fee. Permit fee will be calculated based on .0075 times construction costs. New Construction costs based on published International Code Council sq ft costs. Remodel costs based on estimates from applicants and CEO estimates. Written estimates may be required.
Marine Construction (Docks, Floats, Gangways)	Same as Commercial.
Certificate of Occupancy, required for all permitted work except fences and sheds less than 200 sq ft. Required for change of use.	No construction: \$25 0-\$5,000 construction cost: \$50 \$5,000-\$100,000 construction cost: \$75 \$100,000-\$250,000 construction cost: \$100 Above \$250,000 construction cost: \$200
Reroofing/Residing Permit	
Residential	\$25.00
Non-residential	Same as commercial building permit
<u>Demolition</u>	\$50.00
<u>Electrical</u>	
Residential	\$50.00 Minimum fee plus 1% of electrical work price.
Commercial	\$75.00 Minimum fee plus 1% of electrical work price.
<u>Internal Plumbing</u>	\$40.00 Minimum fee plus \$10.00 per fixture. (State Fee Schedule)
<u>Subsurface System</u>	State Fee Schedule that is in effect.

<u>Solar Photovoltaic Systems</u>	
Small Scale	Follow building permit fees above based on cost. Add electrical permit fee at \$0.02 per watt.
Medium Scale	Building permit fee fixed at \$5,000. Electrical permit fee \$0.002 per watt.
Large Scale	Building permit fee fixed at \$10,000. Electrical permit fee \$0.002 per watt.
<u>Sheds</u>	
Less than 200 Sq/Ft	\$50.00
More than 200 Sq/Ft	Follow Building Permit fees above
(Sheds 64 sq. feet or less do not require a permit but must meet setback of 4 feet from side and rear lot lines. Must also meet applicable front setback.)	
<u>Fences (over four feet in height)</u>	
	\$50.00
<u>Pools</u>	
Above Ground	\$50.00
In-Ground	Follow building permit fees above
<u>Mobile Home</u>	
	\$100.00
(State of Maine Certificate of Taxes/Sewer Fees Paid on Mobile Home paperwork also required. Title 29-A, Sections 462-4; 1002-9; 2382-10)	
<u>Sign</u>	
	\$35.00 for first sign & \$25 for each additional sign for same project.
<u>Home Occupation/B&B</u>	
CEO Review	\$100.00
Planning Board Review	\$200.00
<u>Shoreland</u>	
CEO Review	
Residential & Commercial Structure	\$200.00
Accessory Structure	\$75.00
Vegetation Clearing/Tree Cutting	\$100.00
Shore Stabilization	\$100.00
Docks (No Planning Board Review)	\$100.00
Planning Board Review	
Non-conforming Expansions	\$200.00
Requiring Minor Site Plan Permit	\$200.00
Requiring Major Site Plan Permit	\$500.00
Docks subject to Planning Board review	\$500.00
<u>Floodplain Permit</u>	
Permit subject to CEO Review	
Residential	\$100.00
Non-residential	\$200.00
Permit subject to Planning Board Review	
Residential	\$100.00
Non-residential	\$200.00

NOTE REGARDING SITE PLAN, SUBDIVISION PLAN AND USE PERMIT FEES.

Many projects that qualify as a Site Plan, a Subdivision Plan, or Use Permit review pursuant to all three respective Chapters of the City Code; Chapter 90, Site Plan, Chapter 102, Zoning and Subdivision Ordinance. The City will charge the larger of the three fees involved with the review, and will not charge all fees for each project.

Use Permits *	
CEO review (minor)	\$50.00
CEO review (major)	\$100.00
Planning Board Review (minor)	\$250.00 and cost of publishing public hearing notice
Planning Board Review (Major)	\$1,000.00 and cost of publishing public hearing notice
Planning Board, Use Permit Amendment	\$250 and cost of publishing public hearing notice
* The difference between a Major and minor review is based on the size of a project and the amount of staff time involved with the application review. An example of a minor permit request to the Planning Board is a Nonconforming Use Permit. An example of a Major permit is a retail store of 2,000 Sq/Ft or more.	
Site Plan*	
Minor Site Plan Permit	\$1,000.00 & Advertising costs & Deliberations fee
Major Permit (Site Plan)	\$5,000 & Advertising costs & Deliberations fee
Multi-Family Site Plan Permit	\$1,000.00 & Advertising costs & Deliberations fee
8 Units or Less	\$2,500 basic fee and \$100/unit & Advertising costs & Deliberations fee
9 Units or More	
Gravel Pits/Rock Excavation	\$2,000 & Advertising costs & Deliberations fee
Project with Substantial Impact on Environment	\$15,000 & Advertising costs & Deliberations fee
Amendment to Site Plan Permit	\$500.00 & Advertising costs & Deliberations fee
*Deliberation Fees	Amount to be determined by the Department. Deliberations include cost of peer review by City engineer or similar professionals, and costs of legal services incurred by the Planning Board in the review of an application.

Subdivision

Application Fee
 Deliberations Fee (Engineering Review)

See Below
 See Below

Subdivision Fees

- **Minor Subdivision (6 lots/units or less):** \$1,000 and advertising costs for Board and staff review of an application. The amount of the deliberations fee will be determined by the Department and will include sufficient funds to pay Board/City need for peer review services by City Engineer or similar professionals and costs of City legal fees incurred by the Board.

- **Major Subdivision (7 lots/units or more):** \$3,000 base fee, and an additional amount of \$100.00 per each lot over 7 lots, and advertising costs for Board and staff review of an application. The amount of the deliberation fee will be determined by the Department and will include sufficient funds to pay Board/City need for peer review services by City Engineer or similar professionals and costs of City legal fees incurred by the Board.

- **Amendment of Approved Subdivision Plan:** \$ 250 minimum and advertising costs for a minor amendment, such as the relocation of a lot line, and \$500 minimum and advertising costs for changes such as increasing the number of lots. An amendment may involve the assessment of a deliberations fee if the Board or Department determine that professional services (e.g. engineering or legal) are needed to assist them in the review of an application.

Contract Rezoning Application

City will use the Site Plan fee schedule to determine the appropriate fee for a contract rezoning review.

Zoning Board of Appeals

Variances	\$200 and cost of required hearing advertisement
Administrative Appeal (CEO Decision)	\$200 and cost of required hearing advertisement
Administrative Appeal (Planning Board decision on Use Permit, Nonconforming, Shoreland and similar minor permits)	\$250 and cost of required hearing advertisement
Administrative Appeal (Planning Board decision on Site Plan or Subdivision)	\$1,000 and cost of required hearing advertisement

Sewer Connection (Residential)

Permit application fee \$75.00
 Plus GPD Usage x \$4.00 per GPD + GPD Calculation
 Permit Total determined by the Department

Gallons per day for a residence is calculated based on 90 GPD per bedroom. There may be an amount charged for an escrow account for a road opening fee.

Sewer Connection (Non-Residential) See Staff for Non-Residential connection fees.

Intown Design Review

Type 1 Permit.	\$100.00
Type 3 Permit.	\$50.00

CITY OF BELFAST PERMIT FEE SCHEDULE (Increase effective 9/2013)

<u>Permit Type</u>	<u>Fee Amount</u>
<u>Building</u> Residential Commercial	\$50.00 Minimum fee for first 500 Sq/Ft + \$0.25 Sq/Ft over \$75.00 Minimum fee for first 250 Sq/Ft + \$0.45 Sq/Ft over
<u>Demolition</u>	\$50.00
<u>Electrical</u> Residential Commercial Commercial Warehouse	\$50.00 Minimum fee for first 500 Sq/Ft + \$0.09 Sq/Ft over \$75.00 Minimum fee for first 500 Sq/Ft + \$0.10 Sq/Ft over \$75.00 Minimum fee for first 500 Sq/Ft + \$0.05 Sq/Ft over
<u>Plumbing</u>	\$40.00 Minimum fee plus \$10.00 per fixture.
<u>Sheds</u> Less than 200 Sq/Ft More than 200 Sq/Ft (Sheds 64 sq. feet or less do not require a permit but must meet setback of 4 feet from side and rear lot lines. Must also meet applicable front setback.)	\$50.00 Follow Building Permit fees above
<u>Fences (over four feet in height)</u>	\$50.00
<u>Pools</u> Above Ground In-Ground	\$50.00 \$0.25 Sq/Ft
<u>Mobile Home</u> (State of Maine Certificate of Taxes/Sewer Fees Paid on Mobile Home paperwork also required. Title 29-A, Sections 462-4; 1002-9; 2382-10)	\$100.00
<u>Sign</u>	\$35.00 for first sign & \$25 for each additional sign for same project.
<u>Home Occupation/B&B</u> CEO Review Planning Board Review	\$50.00 \$100.00
<u>Shoreland</u> CEO Review Planning Board Review Docks subject to Planning Board Review	\$75.00 \$100.00 \$150.00
<u>Floodplain Permit</u> Permit subject to CEO Review Permit subject to Planning Board Review	\$50.00 \$50.00
<u>Sewer Connection (Residential)</u> Permit application fee Plus GPD Usage x \$4.00 per GPD	\$75.00 + <u>GPD Calculation</u> Permit Total determined by the Department

Gallons per day for a residence is calculated based on 90 GPD per bedroom. There may be an amount charged for an escrow account for a road opening fee.

Sewer Connection (Non-Residential) See Staff for Non-Residential connection fees.

NOTE REGARDING SITE PLAN, SUBDIVISION PLAN AND USE PERMIT FEES.

Many projects that qualify as a Site Plan, a Subdivision Plan, or Use Permit review pursuant to all three respective Chapters of the City Code; Chapter 90, Site Plan, Chapter 102, Zoning and Subdivision Ordinance. The City will charge the larger of the three fees involved with the review, and will not charge all fees for each project.

Use Permits *

CEO review (minor)	\$50.00
Planning Board Review (minor)	\$100.00
CEO or Planning Board Review (Major)	\$250.00

* The difference between a Major and minor review is based on the size of a project and the amount of staff time involved with the application review. An example of a minor permit request to the Planning Board is a Nonconforming Use Permit. An example of a Major permit is a retail store of 2,000 Sq/Ft or more.

Site Plan

Minor Permit

Application Fee	\$750.00 + Advertising Costs
Escrow Account (Engineering Review)	\$ Amount Needed, To be determined by the Department

Major Permit (Site Plan)

Application Fee	\$3,000 + Advertising Costs + Escrow Costs
Escrow Account	\$ Amount Needed, To be determined by the Department

Subdivision

Application Fee	See Below
Escrow Account (Engineering Review)	See Below

Subdivision Fees

- **Minor Subdivision (6 lots/units or less):** \$750 for Board and staff review of an application with the escrow account being the amount needed to complete an engineering review of the project. Escrow fees are also to pay legal fees the Planning Board may incur in the review of applicant submissions.

- **Major Subdivision (7 lots/units or more):** \$2,000 base fee, and an additional amount of \$50.00 per each lot over 7; with the escrow account being the amount needed to complete an engineering review of the project. Escrow fees are also to pay legal fees the Planning Board may incur in the review of applicant submissions.

- **Amendment of Approved Subdivision Plan:** \$100 minimum, with an amount that can increase to the initial review fee based on the complexity of the amendment; with the escrow amount to be the amount needed to complete an engineering review of the project.

Zoning Board of Appeals

Variances	\$100 and cost of required hearing advertisement
Administrative Appeal (CEO Decision)	\$100 and cost of required hearing advertisement
Administrative Appeal (Planning Board decision on Use Permit, Nonconforming, Shoreland and similar minor permits)	\$100 and cost of required hearing advertisement
Administrative Appeal (Planning Board decision on Site Plan or Subdivision)	\$500 and cost of required hearing advertisement

<u>Property address</u>	<u>Permit Number</u>	<u>Permit Type</u>	<u>Project cost</u>	<u>Past Permit fee</u>	<u>Proposed Permit Fee</u>	<u>Project description</u>
11 Market St.	96-2017	Building		\$17,063.00	\$50,328.00	38,000 sf County Courthouse
"	85-2017	Electrical		\$3,825.00		"
"	4594	Plumbing		\$1,430.00		"
<hr/>						
45 Belmont Ave	99-2020	Building	\$2,395,000	\$8,556.15	\$18,921.00	Tractor Supply - 19,097 sf
<hr/>						
20 Belle Point	72-2017	Building	\$890,000	\$1,356.00	\$5,256.00	Single Family 3 bedroom Home with 2 car garage - 5723 sq ft.
"	62-2017	Electrical		\$520.00		"
"	4603	Plumbing		\$150.00		"
<hr/>						
263 Waterville	75-2020	Building	\$100,000	\$399.00	\$1,561.00	Single Family 2 bedroom home = 1008 sf + 672 sf Garage + 216 sf porches (Total = 1896 sf)
"	4845	Plumbing		\$130.00		"
"	110-2020	Electrical		\$131.00		"