

**Department of Community Planning and Economic Development –
 Planning Division Report
 Zoning Code Text Amendment**

Date: February 6, 2006

Initiator Of Amendment: Council Member Schiff

Date of Introduction at City Council: January 13, 2006

Ward: All

Planning Staff And Phone: Tara Beard, (612) 673-2351

Intent Of The Ordinance: The intent of the amendment is to increase fees for reinspections, land use application appeals, Planned-Unit-Development applications, Site Plan Review applications and to create a fee for applicant requested continuances.

Appropriate Section(s) of the Zoning Code:
 Chapter 525: Administration and Enforcement

Background: Fees for land use applications and other regulatory functions related to the implementation of the zoning ordinance must be examined and increased periodically to account for inflation and/or their correlation with the staff work required. The 2006 CPED budget, approved by City Council in 2005, reflect these changes. The fee changes and/or increases recommended in this report are informed by the report “Minneapolis Phase II: Fee Cost Recovery Assessment Development, Public Safety, & Public Works Final Report,” which was completed by a City-retained consultant (Public Financial Management) in 2005. This report found that few land use applications’ fees were sufficient to obtain full cost recovery. CPED-Planning has reviewed this report and drafted recommendations for fee changes for the 2006 budget process. Some fee increases recommended by the consultant’s report are not recommended by CPED-Planning at this time.

With the goal of greater cost recovery yet maintenance of accessibility and affordability of services to the public, staff is recommending the following fee changes:

	Current Fee	Proposed Fee	Percent Change
Appeals of the ruling of the board of adjustment or city planning commission	\$250	\$300	20%
Conditional use permits for planned unit developments	\$1,500	\$1,900	26%
Major site plan review			
0 – 9,999 square feet	\$500	\$650	30%
10,000 – 43,559 square feet	\$750	\$950	26%

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43,560 square feet or more	\$1,000	\$1,250	25%
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In addition to the fee changes listed above, staff is recommending the creation of a fee for applicant requested continuances in the amount of \$150. This fee would be applied per project, and only when the continuance is requested at the sole request of the applicant. The fee would be required by the hearing date to which the project was continued.

Finally, staff is recommending increasing resinspection fees from \$50 to \$100. This applies to subsequent reinspections required after a first inspection and one resinspection has already occurred.

Purpose For The Amendment:

What is the reason for the amendment?

What problem is the amendment designed to solve?

What public purpose will be served by the amendment?

What problems might the amendment create?

The amendment would improve CPED-Planning's ability to balance expenditures and revenues of the development services provided to applicants. It would also consider inflation and adjust certain fees accordingly.

The amendment is designed to improve the cost recovery ability of the development services section of CPED-Planning. The proposed increases would not result in full cost recovery of the department, and some recommended increases by the consultant are not being proposed by staff at this time. The goal is to improve cost recovery abilities without allowing land use application fees to be cost-prohibitive for small development projects.

The amendment would serve the public interest by ensuring quality, timely staff services by increasing the extent to which CPED-Planning can recover costs.

Planning staff does not anticipate that the amendment would cause problems, as the need for the increases are well documented and the increases are not such that they should greatly increase the portion of an overall project's cost that is related to city planning services.

Timeliness:

Is the amendment timely?

Is the amendment consistent with practices in surrounding areas?

Are there consequences in denying this amendment?

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The proposed fee increases were incorporated into the City Council approved 2006 budget for CPED, and updating those fees as soon in 2006 as possible will allow the department's budget to be more closely in line with what was approved.

Practices vary widely in other municipalities related to fees; however, periodically increasing fees to improve cost recovery and keep up with inflation is a common occurrence. Charging a fee for an applicant-requested continuance is practiced in some other municipalities. For example, in Phoenix, Arizona, such a continuance costs \$590 and applications are deemed withdrawn for not paying the fee.

The consequences of denying the amendment would be that CPED-Planning would not be charging fees as approved in the 2006 budget, and would be less able to recover actual costs.

Comprehensive Plan:

How will this amendment implement the Comprehensive Plan?

The amendment would allow CPED to continue to ensure that the goals and policies of the comprehensive plan are implemented through the review of development applications.

Policy 9.18 of the Minneapolis Plan states that, "Minneapolis will establish land use regulations, in order to achieve the highest possible development standards, enhance the environment, promote flexibility in approaches and otherwise carry out the comprehensive plan." With the variety of regulations that are needed implement the comprehensive plan, and with the desire to encourage public awareness and participation through a public hearing process, comes the need to pay for the review of development applications. The policy decision facing the City Council is how much of the development review cost should be covered directly by land use applicants through application fees.

Recommendation Of The CPED Planning Division:

The CPED Planning Division recommends that the City Planning Commission and City Council adopt the above findings and **approve** the zoning code text amendment.