REQUEST FOR COUNCIL ACTION

MEETING DATE: 4/21/03 329

AGENDA SECTION: PUBLIC HEARINGS	ORIGINATING DEPT: PLANNING	ITEM NO. E-12
ITEM DESCRIPTION: **Text Amendment #03-02 – To amend Section 60.175 regarding Fees of the Rochester Zoning and Land Development Manual.**		PREPARED BY: Larry Klemenhagen

April 16, 2003

This text amendment will amend the current zoning and development application fees.

Planning Department Recommendation:

Planning has evaluated expenses and revenues pertaining to the administration of the Zoning Ordinance and Land Development Manual. As a result of this study, a multi-year fee schedule is proposed. The proposed fees will reduce the amount of tax levy needed to support these programs and applicants or developers will be expected to fund a greater share of the costs to administer these programs. The last multi-year fee schedule was adopted in 1996 with the last fee adjustment occurring on January 1, 2000.

The proposed fee schedule increases zoning permit fees approximately 8% in both 2003 and 2004, and 5% in 2005. Development applications are to increase roughly 30% per year in 2003, 2004 and 2005.

Planning recommends approval of the Text Amendment #03-02 and the proposed fee schedule.

Planning Administrative Services Committee (PASC) Recommendation:

On March 4, 2003, the PASC recommended approval of the recommended fee increases. "Mr. Benda moved to approve the fee proposal suggested by staff. Mr. Flynn seconded the motion. The motion carried 4-0".

City Planning and Zoning Commission (CPZC) Recommendation:

The City Planning and Zoning Commission held a public hearing, reviewed the text changes and the proposed fees on March 26, 2003. The Planning Commission recommended denial of Text Amendment #03-02. Motion carried 5-2.

On April 9, 2003, the CPZC reconsidered their pervious action. The Commission passed a motion recommending adoption of the first two years of the proposed fee schedule with the first fee adjustment being effective June 1, 2003 and the second year fee adjustment being effective June 1, 2004.

Council Action Needed:

1. If the Council wishes to adopt the Text Amendment #03-02 and the multi-year fee schedule, it should instruct the City Attorney to prepare an ordinance for adoption.

Attachments:

1. Staff Report and Text Amendment
2. Rochester Proposed Fee Schedule.
3. Planning Administrative Services Committee – March 4, 2003 Minutes
4. City Planning and Zoning Commission - March 26, 2003 Minutes.
5. City Planning and Zoning Commission – April 9, 2003 Minutes.

Distribution:

1. City Clerk
2. City Attorney
3. City Administrator
4. Planning Department File

COUNCIL ACTION: Motion by:_____ Second by:_____ to:_____

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Rochester-Olmsted Planning Department
2122 Campus Drive SE – Suite 100
Rochester, MN 55904-4744
(507) 285-8232

TO: City Planning and Zoning Commission

FROM: Larry Klemenhagen, AICP

DATE: April 16, 2003

RE: Text Amendment #03-02, to amend Section 60.175 regarding Fees of the Rochester Zoning Ordinance and Land Development Manual.

Background:

The Planning Administrative Service Committee (PASC) reviewed and approved the proposed fee schedule for zoning permits and development applications. The City Planning and Zoning Commission and the City Council will need to consider the fee proposal and take action before the fees can take effect.

In 2001, the State Legislature amended the State Statute authorizing municipalities to charge fees to recover expenses relating to planning and official controls. MS 462.353, Subd. 4 states that, "A municipality may prescribe fees sufficient to defray the costs incurred by it in reviewing, investigating and administering an application... Fees as prescribed must be by **ordinance** and must be fair, reasonable, and proportionate to the actual cost of the service for which the fee is imposed. A municipality shall adopt management and accounting procedures to ensure that fees are maintained and used for the purposes for which they are collected."

Fees have previously been established by resolution by the City Council. Due to the change in the Statute requiring fees to be established by ordinance, we are advised to conduct a public hearing and include the fee schedule as part of the Rochester Zoning Ordinance and Land Development Manual.

Fee Study:

The last comprehensive fee study and fee adjustment occurred in 1996. The Olmsted County Board and the Rochester City Council approved a multi-year program that adjusted fees administered by the Planning Department 2-3% per year. The last such fee increase occurred in 2000. Once again, the Department has completed a study of expenses and fee revenues. This analysis is the basis for a proposed multi-year program to adjust the Department's fees.

The summary table and charts for the Planning Department (attached) describe the changes that have occurred since 1995, the year prior to the last major scheduled fee adjustment. Since 1995, development activity in Olmsted County and the City of Rochester has increased substantially. Comparing the overall development activity from 1995 to 2002, the following table indicates that 2,089 (55%) more permits were processed in 2002 than in 1995. The amount time devoted to processing permits during this time period increased by 6,492 hours, or 32%. The overall amount of time spent on each application has declined from 5.34 to 4.55 hours per permit/application.

Revenues during this time period increased by 141%, surpassing expense increases of 73%. This improved the Department's recovery rate from 49% in 1995 to 73% in 2002.

Year	Permits	Hours	Hrs/Prt		Expenses	Revenue	Recovery
1995	3,806	20,330	5.34		$887,257	$431,965	49%
2002	5,895	26,822	4.55		$1,423,426	$1,042,241	73%
95-02	2,089	6,492	-.79		$536,169	$610,276	25%
%	55%	32%	-15%		60%	141%	

The Rochester Olmsted Planning Department serves both Olmsted County and the City of Rochester. Rochester is the primary source for the majority of zoning permits and development applications.

The number of zoning permits has increased by 56% since 1995. While the time spent in zoning administration increased by 35%, it did not increase at the same rate as permits, therefore, the time per permit was reduced by one-half hour to 1.97 hours per permit in 2002. Zoning permit revenue rose substantially in this time period. The recovery rate changed from 45% in 1995 to 93% in 2002.

Zoning Administration

Year	Permits	Hours	Hrs/Prt		Expenses	Revenue	Recovery
1995	2,238	5,068	2.26		$260,580	$118,145	45%
2002	3,485	6,857	1.97		$377,000	$352,327	93%
95-02	1,247	1,789	-.29		$116,420	$234,182	48%
%	56%	35%	-13%		45%	198%	

The number of development applications increased by 46% since 1995. Due to more complicated applications, the addition of neighborhood meetings, and other ordinance changes, the time devoted to development applications increased by 86%. The average time devoted to an application increased from 13.05 hours in 1995 to 16.55 hours in 2002. While revenues increased, they did not keep pace with the time and expenses need to handle the applications. The recovery rate for development applications only improved to 43% in 2002 from a rate of 32% in 1995.

Development Applications

Year	Permits	Hours	Hrs/Prt		Expenses	Revenue	Recovery
1995	376	4,905	13.05		$211,916	$66,866	32%
2002	550	9,103	16.55		$481,733	$209,254	43%
95-02	174	4,198	3.50		$269,816	$142,385	11%
%	46%	86%	27%		127%	213%	

Recommendation

Taking into consideration expenses, revenues, recovery rates and the County's support (tax levy) for each of these programs, the following proposed fee adjustment has been developed for the Committee's consideration.

The Planning Administrative Service Committee has recommended that zoning permit fees increase 8% per year and development application increase 30% per year through 2005. The combined impact of the fee adjustment is shown below as it relates to the Planning Division. The fees as proposed would require the applicants to pay a greater share of the expenses to process zoning permits and development applications and reduce the need for the tax levy to support these activities.

While a 30% increase in development fees results in a substantial reduction in reliance on the levy, the impact on the cost of a single-family lot cost is minimal. As estimated for a development needing to go through annexation for 50 acres, a zone change for 10 of the 50 acres, a general development plan for all 50, and a 20-acre preliminary and final plat of 60 lots, the increase in the cost per lot would be under $20.

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	2000	2001	2002	Proposed 2003	2004	2005
Planning Department						
Expenses	$1,253,433	$1,232,083	$1,423,426	$1,486,789	$1,561,129	$1,639,185
Fee Adjustment	3%	0%	0%	6%	11%	13%
Fee Revenues	$992,322	$976,543	$1,042,241	$1,105,001	$1,230,724	$1,386,017
County's Tax Levy	$261,111	$255,540	$381,185	$381,788	$330,405	$253,168
Recovery Rate	79%	79%	73%	74%	79%	85%
Planning Division						
Expenses	$733,759	$718,069	$858,733	$895,542	$940,319	$987,335
Fee Adjustment	3%	0%	0%	11%	17%	16%
Fee Revenues	$546,685	$515,878	$561,578	$623,988	$728,313	$845,100
County's Tax Levy	$187,074	$202,191	$297,155	$271,554	$212,007	$142,236
Recovery Rate	75%	72%	65%	70%	77%	86%
Zoning Administration						
Expenses	$341,144	$310,486	$377,000	$395,446	$415,218	$435,979
Fee Adjustment	3%	0%	0%	8%	8%	5%
Fee Revenues	$347,341	$351,844	$352,327	$376,692	$406,827	$427,168
County's Tax Levy	($6,197)	($41,358)	$24,673	$18,754	$8,391	$8,811
Recovery Rate	102%	113%	93%	95%	98%	98%
Development Applications						
Expenses	$392,615	$407,583	$481,733	$500,096	$525,101	$551,356
Fee Adjustment	4%	0%	0%	30%	30%	30%
Fee Revenues	$199,344	$164,034	$209,251	$247,297	$321,486	$417,931
County's Tax Levy	$193,271	$243,549	$272,482	$252,800	$203,615	$133,425
Recovery Rate	51%	40%	43%	49%	61%	76%

Text Amendment

The proposed text amendment would amend:

Section 60.175 Fees: There shall be fees adopted for various applications and requests for information from time to time by ~~resolution~~ **ordinance** of the City Council, ~~as listed in Appendix A.~~

Insert the adopted **Fee Schedule Tables** (attached) and include a statement that "**Fees adopted for the last year of the fee schedule will remain in effect until otherwise amended.**"

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TEXT AMENDMENT

Section 60.175 Fees: There shall be fees adopted for various applications and requests for information from time to time by ~~resolution~~ ordinance of the City Council, ~~as listed in Appendix A.~~ The fees adopted on the last date of the schedule below, will remain in effect until otherwise amended.

1) Zoning Certificate Fees:

a) Residential Uses:

(Values of improvement building, grading, etc., according to the following schedule)

Total Valuation	Rate of Fee		
	June 1, 2003	January 1, 2004	January 1, 2005
$1 to $500	$22	$22	$22
$501 to $2,000	$22 + $.80 per $100	$22 + $1.00 per $100	$22.00 + $1.20 per $100
$2,001 to $25,000	$34 + $2.40 per $1,000	$37 + $2.50 per $1,000	$40 + $2.50 per $1,000
$25,001 to $50,000	$89 + $1.40 per $1,000	$95 + $1.50 per $1,000	$98 + $1.70 per $1,000
$50,001 to $100,000	$124 + $.50 per $1,000	$132 + $.50 per $1,000	$140 + $.50 per $1,000
$100,001 and up	$149 + $.25 per $1,000	$157 + $.25 per $1,000	$165 + $.25 per $1,000

b) Multiple Family and Non-Residential Uses:

(Values of improvement building, grading, etc., according to the following schedule)

Total Valuation	Rate of Fee		
	June 1, 2003	January 1, 2004	January 1, 2005
$1 to $500	$22	$22	$22
$501 to $2,000	$22 + $1.25 per $100	$22 + $1.50 per $100	$22 + $1.75 per $100
$2,001 to $25,000	$41 + $3.00 per $1,000	$45 + $3.30 per $1,000	$48 + $3.50 per $1,000
$25,001 to $50,000	$110 + $1.50 per $1,000	$120 + $1.50 per $1,000	$129 + $1.50 per $1,000
$50,001 to $100,000	$147 + $.80 per $1,000	$160 + $.80 per $1,000	$166 + $.80 per $1,000
$100,001 and up	$187 + $.25 per $1,000	$198 + $.25 per $1,000	$206 + $.25 per $1,000

c) Double Fee:

When the building construction or remodeling has occurred prior to issuing of the zoning certificate, a double fee maybe imposed.

d) Other Zoning Permits:

Other Zoning Permits	Rate of Fee		
	2003	January 1, 2004	January 1, 2005
Single Family Repairs and Interior Alterations	$20 per application	$20 per application	$20 per application
Mobile Home Installation	$27 per application	$30 per application	$30 per application
Sign	Use Non-Residential Zoning Certificate fee	Use Non-Residential Zoning Certificate fee	Use Non-Residential Zoning Certificate fee
Advertising Sign			
New Sign	$150 per application	$160 per application	$175 per application
Sign Credit	$100 per application	$110 per application	$120 per application

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Other Zoning Permits	Rate of Fee		
	2003	January 1, 2004	January 1, 2005
Moving Permit	$70 per application	$75 per application	$80 per application
Grading/Erosion Permit	$155 per application	$150 per application	$175 per application
Erosion Plan Review	Refer to Grading/Erosion Permit		
Demolition Permit	$37 per application	$40 per application	$40 per application
Housing Certificate	$27 per application	$30 per application	$30 per application
Compliance Letter			
Single Family	$70 per application	$75 per application	$80 per application
Other	$100 per application	$130 per application	$160 per application
Temporary Use Permit	$210 per application	$230 per application	$250 per application

2) Wetland Fees:

Wetland Permits	Rate of Fee		
	June 1, 2003	January 1, 2004	January 1, 2005
Exception Determination	$140 per application	$180 per application	$230 per application
No-Loss Determination	$140 per application	$180 per application	$230 per application
Delineation Review			
Less than 1 acre	$140 per application	$180 per application	$230 per application
1 - 10 acres	$360 per application	$470 per application	$600 per application
11+ acres	$500 per application	$650 per application	$850 per application
Replacement Plan			
Less than 1 acre	$325 per application	$425 per application	$550 per application
1 - 10 acres	$700 per application	$900 per application	$1,200 per application
11+ acres	$1,050 per application	$1,350 per application	$1,800 per application
Sequencing Plan	$325 per application	$425 per application	$550 per application
Appeal	$235 per application	$280 per application	$335 per application
Banking Plan			
Less than 1 acre	$325 per application	$425 per application	$550 per application
1 - 10 acres	$700 per application	$900 per application	$1,200 per application
11+ acres	$1,050 per application	$1,350 per application	$1,800 per application
Annual Monitoring Report	$70 per application	$75 per application	$85 per application

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3) Development Application Fees:

Application Type	Rate of Fee 2003	January 1, 2004	January 1, 2005
Urban Service Area Land Use Plan Amendment			
Less than 1 acre	$900 per application	$1,200 per application	$1,600 per application
1 - 10 acres	$900 + $35 per acre	$1,200 + $40 per acre	$1,600 + $45 per acre
11 - 99 acres	$1,250 + $8 per acre	$1,600 + $10 per acre	$2,050 + $13 per acre
100 + acres	$1,962 + $1 per acre	$2,490 + $1 per acre	$3,207 + $1 per acre
Text Amendment	$500 per application	$700 per application	$1,000 per application
General Development Plan	$700 per application	$900 per application	$1,200 per application
Type I			
Home Occupation	$240 per application	$280 per application	$325 per application
Site Development	$240 per application	$280 per application	$325 per application
Design Modification	$80 per application	$100 per application	$120 per application
Land Subdivision Permit	$300 per application	$350 per application	$420 per application
PUD Amendments	$325 per application	$400 per application	$475 per application
Performance Residential	$325 per application	$400 per application	$475 per application
Conditional Use Changes	$325 per application	$400 per application	$475 per application
Amendment to GDP	$325 per application	$400 per application	$475 per application
Type II	$500 per application	$650 per application	$850 per application
Type III - Phase I			
Less than 1 acre	$650 per application	$850 per application	$1,100 per application
1 - 10 acres	$650 + $40 per acre	$850 + $50 per acre	$1,100 + $60 per acre
11 - 99 acres	$1,050 + $8 per acre	$1,350 + $10 per acre	$1,700 + $15 per acre
100 + acres	$1,762 + $1 per acre	$2,240 + $1 per acre	$3,035 + $1 per acre
Type III - Phase II			
Less than 1 acre	$800 per application	$1,000 per application	$1,300 per application
1 - 10 acres	$800 + $40 per acre	$1,000 + $50 per acre	$1,300 + $60 per acre
11 - 99 acres	$1,200 + $8 per acre	$1,500 + $10 per acre	$1,900 + $15 per acre
100 + acres	$1,912 + $1 per acre	$2,390 + $1 per acre	$3,235 + $1 per acre
Type III - Phase III			
Less than 1 acre	$650 per application	$850 per application	$1,100 per application
1 - 10 acres	$650 + $40 per acre	$850 + $50 per acre	$1,100 + $60 per acre
11 - 99 acres	$1,050 + $8 per acre	$1,350 + $10 per acre	$1,700 + $15 per acre
100 + acres	$1,762 + $1 per acre	$2,240 + $1 per acre	$3,035 + $1 per acre

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Applications Type	Rate of Fee 2003	January 1, 2004	January 1, 2005
Type III - Phase I - Variance			
Residential Use	$260 per application	$330 per application	$425 per application
Residential Use with Multiple Lots	$260 per application $90 per additional lot	$330 per application $120 per additional lot	$425 per application $150 per additional lot
Non-Residential Use	$500.00 per application	$650.00 per application	$850.00 per application
Appeals	$260 per application	$330 per application	$425 per application
Type II			
Land Subdivision Permit	$600 per application plus $12 per lot	$800 per application plus $15 per lot	$1,000 per application plus $20 per lot
Type III			
Land Subdivision Permit	$700 per application plus $12 per lot	$900 per application plus $15 per lot	$1,200 per application plus $20 per lot
Type III			
Final Plat	$500 per application plus $12 per lot	$650 per application plus $15 per lot	$850 per application plus $20 per lot
New Special District			
Less than 1 acre	$900 per application	$1,200 per application	$1,600 per application
1 - 10 acres	$900 + $35 per acre	$1,200 + $40 per acre	$1,600 + $45 per acre
11 - 99 acres	$1,250 + $8 per acre	$1,600 + $10 per acre	$2,050 + $13 per acre
100 + acres	$1,962 + $1 per acre	$2,490 + $1 per acre	$3,207 + $1 per acre
Special District			
Project Development Plan, Amendments, or Final Site Plan			
Less than 1 acre	$800 per application	$1,000 per application	$1,300 per application
1 - 10 acres	$800 + $35 per acre	$1,000 + $40 per acre	$1,300 + $45 per acre
11 - 99 acres	$1,150 + $8 per acre	$1,400 + $10 per acre	$1,750 + $13 per acre
100 + acres	$1,862 + $1 per acre	$2,290 + $1 per acre	$2,907 + $1 per acre
Annexation			
Less than 1 acre	$500 per application	$650 per application	$850 per application
1 - 10 acres	$500 + $30 per acre	$650 + $40 per acre	$850 + $50 per acre
11 - 99 acres	$800 + $3 per acre	$1,050 + $4 per acre	$1,350 + $5 per acre
100 + acres	$1,067 + $1 per acre	$1,406 + $1 per acre	$1,795 + $1 per acre
Vacations			
Utility Easement	$260 per application	$330 per application	$425 per application
Right of Way, Alley & Other	$500 per application	$650 per application	$850 per application

Applications Type	Rate of Fee		
	2003	January 1, 2004	January 1, 2005
Traffic Impact Study			
Rezoning Traffic Analysis or Traffic Impact Report	$150 per application plus $70 per hour (over 2 hrs)	$150 per application plus $70 per hour (over 2 hrs)	$150 per application plus $75 per hour (over 2 hrs)
Traffic Design Analysis or waived Traffic Impact Report	$70 per application	$70 per application	$75 per application
Thoroughfare Plan Amend.	$500 per application	$650 per application	$850 per application
Environmental Worksheet			
Less than 1 acre	$900 per application	$1,200 per application	$1,600 per application
1 - 10 acres	$900 + $50 per acre	$1,200 + $60 per acre	$1,600 + $70 per acre
11 - 99 acres	$1,400 + $8 per acre	$1,800 + $11 per acre	$2,300 + $15 per acre
100 + acres	$2,112 + $1 per acre	$2,779 + $1 per acre	$3,635 + $1 per acre
Environmental Impact Statement	To be determined on a contractual basis	To be determined on a contractual basis	To be determined on a contractual basis
Manufactured Home Park			
1 - 10 homes	$800 (1-10 homes)	$1,000 (1-10 homes)	$1,300 (1-10 homes)
11 - 99 homes	$800 + $12 per home	$1,000 + $15 per home	$1,300 + $20 per home
100+ homes	$1,365 + $5 per home	$1,595 + $5 per home	$1,945 + $5 per home
Manufactured Home Park Amendment	$500 per application	$650 per application	$850 per application

a) **Incomplete Applications or Changes:**
Incomplete applications or applications that are changed by the applicant during the review process that result in additional staff time and expenses to review the application, resubmit referrals, notices, etc. are required to compensate the Department for these additional costs. The additional fee shall not exceed fifty percent (50%) of the original application fee.

Proposed Rochester Zoning and Development Application Fees

Multiple Family and Non-Residential Zoning Permit
Rochester and Olmsted County

		Proposed Fee			Percent of Change		
Total Valuation	**Current Fee**	**2003**	**January 1, 2004**	**January 1, 2005**	**2003**	**2004**	**2005**
$1 to $500	$22	$22	$22	$22	0.0%	0.0%	0.0%
$501 to $2,000	$22 + $1.00 per $100	$22 + $1.25 per $100	$22 + $1.50 per $100	$22 + $1.75 per $100	10.1%	9.2%	8.4%
$2,001 to $25,000	$37 + $2.75 per $1,000	$41 + $3.00 per $1,000	$45 + $3.30 per $1,000	$48 + $3.50 per $1,000	9.5%	9.7%	6.9%
$25,001 to $50,000	$100 + $1.50 per $1,000	$110 + $1.50 per $1,000	$120 + $1.50 per $1,000	$129 + $1.50 per $1,000	7.1%	7.2%	5.3%
$50,001 to $100,000	$137 + $.75 per $1,000	$147 + $.80 per $1,000	$160 + $.80 per $1,000	$166 + $.80 per $1,000	7.3%	5.7%	4.2%
$100,001 and up	$175 + $.25 per $1,000	$187 + $.25 per $1,000	$198 + $.25 per $1,000	$206 + $.25 per $1,000	6.1%	5.0%	3.7%
				Average	8.0%	7.4%	5.7%

Residential Zoning Permit
Rochester and Olmsted County

		Proposed Fee			Percent of Change		
Total Valuation	**Current Fee**	**2003**	**January 1, 2004**	**January 1, 2005**	**2003**	**2004**	**2005**
$1 to $500	$22	$22	$22	$22	0%	0%	0%
$501 to $2,000	$22 + $.60 per $100	$22 + $.80 per $100	$22 + $1.00 per $100	$22.00 + $1.20 per $100	10%	9%	8%
$2,001 to $25,000	$31 + $2.25 per $1,000	$34 + $2.40 per $1,000	$37 + $2.50 per $1,000	$40 + $2.50 per $1,000	8%	6%	3%
$25,001 to $50,000	$82 + $1.25 per $1,000	$89 + $1.40 per $1,000	$95 + $1.50 per $1,000	$98 + $1.70 per $1,000	10%	6%	6%
$50,001 to $100,000	$114 + $.50 per $1,000	$124 + $.50 per $1,000	$132 + $.50 per $1,000	$140 + $.50 per $1,000	7%	5%	5%
$100,001 and up	$139 + $.25 per $1,000	$149 + $.25 per $1,000	$157 + $.25 per $1,000	$165 + $.25 per $1,000	6%	4%	4%
				Average	8%	6%	5%

Proposed Rochester Zoning and Development Application Fees

Other Zoning Permits	Current Fee	Proposed Fee 2003	Proposed Fee January 1, 2004	Proposed Fee January 1, 2005	Percent of Change 2003	Percent of Change 2004	Percent of Change 2005
Single Family Repairs and Interior Alterations	$35 per application	$20 per application	$20 per application	$20 per application	-43%	0%	0%
Mobile Home Installation	$25 per application	$27 per application	$30 per application	$30 per application	8%	11%	0%
Sign	Use Non-Residential Zoning Certicate fee	Use Non-Residential Zoning Certicate fee	Use Non-Residential Zoning Certicate fee	Use Non-Residential Zoning Certicate fee			
Advertising Sign							
New Sign		$150 per application	$160 per application	$175 per application		7%	9%
Sign Credit		$100 per application	$110 per application	$120 per application		10%	9%
Moving Permit	$65 per application	$70 per application	$75 per application	$80 per application	8%	7%	7%
Grading/Erosion Permit	$110 per application	$155 per application	$150 per application	$175 per application	36%	0%	17%
Erosion Plan Review	$80.00 per application	Refer to Grading/Erosion Permit					
Demolition Permit	$35 per application	$37 per application	$40 per application	$40 per application	6%	8%	0%
Housing Certificate	$25 per application	$27 per application	$30 per application	$30 per application	8%	11%	0%
Compliance Letter							
Single Family	$65 per application	$70 per application	$75 per application	$80 per application	8%	7%	7%
Other	$65 per application	$100 per application	$130 per application	$160 per application	54%	30%	23%
Temporary Use Permit	$190.00 per application	$210 per application	$230 per application	$250 per application	11%	10%	9%
				Average	11%	9%	7%

Proposed Rochester Zoning and Development Application Fees

Other Zoning Permits	Current Fee	Proposed Fee 2003	Proposed Fee January 1, 2004	Proposed Fee January 1, 2005	Percent of Change 2003	Percent of Change 2004	Percent of Change 2005
Wetlands							
Exception Determination	$110 per application	$140 per application	$180 per application	$230 per application	27%	29%	28%
No-Loss Determination	$110 per application	$140 per application	$180 per application	$230 per application	27%	29%	28%
Delineation Review							
Less than 1 acre	$110 per application	$140 per application	$180 per application	$230 per application	27%	29%	28%
1 - 10 acres	$275 per application	$360 per application	$470 per application	$600 per application	31%	31%	28%
11+ acres	$375 per application	$500 per application	$650 per application	$850 per application	33%	30%	31%
Replacement Plan							
Less than 1 acre	$250 per application	$325 per application	$425 per application	$550 per application	30%	31%	29%
1 - 10 acres	$550 per application	$700 per application	$900 per application	$1,200 per application	27%	29%	33%
11+ acres	$800 per application	$1,050 per application	$1,350 per application	$1,800 per application	31%	29%	33%
Sequencing Plan	$250 per application	$325 per application	$425 per application	$550 per application	30%	31%	29%
Appeal	$200 per application	$235 per application	$280 per application	$335 per application	30%	31%	32%
Banking Plan							
Less than 1 acre	$250 per application	$325 per application	$425 per application	$550 per application	30%	31%	29%
1 - 10 acres	$550 per application	$700 per application	$900 per application	$1,200 per application	27%	29%	33%
11+ acres	$800 per application	$1,050 per application	$1,350 per application	$1,800 per application	31%	29%	33%
Annual Monitoring Report	$65.00 per application	$70 per application	$75 per application	$85 per application	31%	29%	27%
				Average	30%	30%	30%

Proposed Rochester Zoning and Development Application Fees

	Current Fee	Proposed Fee			Percent of Change		
		2003	January 1, 2004	January 1, 2005	2003	2004	2005
Rochester Urban Service Area							
Land Use Plan Amendment							
Less than 1 acre	$700 per application	$900 per application	$1,200 per application	$1,600 per application	29%	33%	33%
1 - 10 acres	$700 + $29 per acre	$900 + $35 per acre	$1,200 + $40 per acre	$1,600 + $45 per acre	26%	28%	28%
11 - 99 acres	$961 + $6 per acre	$1,250 + $8 per acre	$1,600 + $10 per acre	$2,050 + $13 per acre	31%	27%	29%
100 + acres	$1,489 + $0.50 per acre	$1,962 + $1 per acre	$2,490 + $1 per acre	$3,207 + $1 per acre	34%	26%	28%
Text Amendment	$375 per application	$500 per application	$700 per application	$1,000 per application	33%	40%	43%
General Development Plan	$550 per application	$700 per application	$900 per application	$1,200 per application	27%	29%	33%
Type I							
Home Occupation	$200 per application	$240 per application	$280 per application	$325 per application	20%	17%	16%
Site Development	$200 per application	$240 per application	$280 per application	$325 per application	20%	17%	16%
Design Modification	$65 per application	$80 per application	$100 per application	$120 per application	23%	25%	20%
Land Subdivision Permit	$250 per application	$300 per application	$350 per application	$420 per application	20%	17%	20%
PUD Amendments	$275 per application	$325 per application	$400 per application	$475 per application	18%	23%	19%
Performance Residential	$275 per application	$325 per application	$400 per application	$475 per application	18%	23%	19%
Conditional Use Changes	$275 per application	$325 per application	$400 per application	$475 per application	18%	23%	19%
Admendment to GDP	$275 per application	$325 per application	$400 per application	$475 per application	18%	23%	19%
Type II	$375 per application	$500 per application	$650 per application	$850 per application	33%	30%	31%
Type III - Phase I							
Less than 1 acre	$500 per application	$650 per application	$850 per application	$1,100 per application	30%	31%	29%
1 - 10 acres	$500 + $35 per acre	$650 + $40 per acre	$850 + $50 per acre	$1,100 + $60 per acre	29%	29%	26%
11 - 99 acres	$815 + $6 per acre	$1,050 + $8 per acre	$1,350 + $10 per acre	$1,700 + $15 per acre	31%	27%	35%
100 + acres	$1,343 + $0.50 per acre	$1,762 + $1 per acre	$2,240 + $1 per acre	$3,035 + $1 per acre			
Type III - Phase II							
Less than 1 acre	$600 per application	$800 per application	$1,000 per application	$1,300 per application	33%	25%	30%
1 - 10 acres	$600 + $35 per acre	$800 + $40 per acre	$1,000 + $50 per acre	$1,300 + $60 per acre	31%	25%	27%
11 - 99 acres	$915 + $6 per acre	$1,200 + $8 per acre	$1,500 + $10 per acre	$1,900 + $15 per acre	33%	25%	35%
100 + acres	$1,443 + $0.50 per acre	$1,912 + $1 per acre	$2,390 + $1 per acre	$3,235 + $1 per acre			
				Average	27%	26%	26%

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Proposed Rochester Zoning and Development Application Fees

	Current Fee	Proposed Fee 2003	Proposed Fee January 1, 2004	Proposed Fee January 1, 2005	Percent of Change 2003	Percent of Change 2004	Percent of Change 2005
Type III - Phase III							
Less than 1 acre	$500 per application	$650 per application	$850 per application	$1,100 per application	30%	31%	29%
1 - 10 acres	$500 + $35 per acre	$650 + $40 per acre	$850 + $50 per acre	$1,100 + $60 per acre	29%	29%	26%
11 - 99 acres	$815 + $6 per acre	$1,050 + $8 per acre	$1,350 + $10 per acre	$1,700 + $15 per acre	21%	21%	20%
100 + acres	$1,343 + $0.50 per acre	$1,762 + $1 per acre	$2,240 + $1 per acre	$3,035 + $1 per acre			
Type III - Phase I - Variance							
Residential Use	$200 per application	$260 per application	$330 per application	$425 per application	30%	27%	29%
Residential Use with	$200 per application	$260 per application	$330 per application	$425 per application	30%	27%	29%
Mulitiple Lots	$70 per additional lot	$90 per additional lot	$120 per additional lot	$150 per additional lot	29%	33%	25%
Non-Residential Use	$450 per application	$500.00 per application	$650.00 per application	$850.00 per application	11%	30%	31%
Appeals	$200 per application	$260 per application	$330 per application	$425 per application	30%	27%	29%
Type II							
Land Subdivision Permit	$450 per application	$600 per application	$800 per application	$1,000 per application	33%	33%	25%
	plus $10 per lot	plus $12 per lot	plus $15 per lot	plus $20 per lot	20%	25%	33%
Type III							
Land Subdivision Permit	$550 per application	$700 per application	$900 per application	$1,200 per application	27%	29%	33%
	plus $10 per lot	plus $12 per lot	plus $15 per lot	plus $20 per lot	20%	25%	33%
Type III							
Final Plat	$375 per application	$500 per application	$650 per application	$850 per application	33%	30%	31%
	plus $10 per lot	plus $12 per lot	plus $15 per lot	plus $20 per lot	20%	25%	33%
New Special District							
Less than 1 acre	$600 per application	$900 per application	$1,200 per application	$1,600 per application	50%	33%	33%
1 - 10 acres	$600 + $35 per acre	$900 + $35 per acre	$1,200 + $40 per acre	$1,600 + $45 per acre	32%	28%	28%
11 - 99 acres	$915 + $6 per acre	$1,250 + $8 per acre	$1,600 + $10 per acre	$2,050 + $13 per acre	32%	27%	29%
100 + acres	$1,443 + $0.50 per acre	$1,962 + $1 per acre	$2,490 + $1 per acre	$3,207 + $1 per acre	34%	26%	28%
Special District Project Development Plan, Amendments, or Final Site Plan							
Less than 1 acre	$600 per application	$800 per application	$1,000 per application	$1,300 per application	33%	25%	30%
1 - 10 acres	$600 + $35 per acre	$800 + $35 per acre	$1,000 + $40 per acre	$1,300 + $45 per acre	21%	22%	25%
11 - 99 acres	$915 + $6 per acre	$1,150 + $8 per acre	$1,400 + $10 per acre	$1,750 + $13 per acre	25%	23%	27%
100 + acres	$1,443 + $0.50 per acre	$1,862 + $1 per acre	$2,290 + $1 per acre	$2,907 + $1 per acre	28%	22%	26%
				Average	28%	27%	29%

Proposed Rochester Zoning and Development Application Fees

	Current Fee	Proposed Fee 2003	Proposed Fee January 1, 2004	Proposed Fee January 1, 2005	Percent of Change 2003	Percent of Change 2004	Percent of Change 2005
Annexation							
Less than 1 acre	$375 per application	$500 per application	$650 per application	$850 per application	33%	30%	31%
1 - 10 acres	$375 + $25 per acre	$500 + $30 per acre	$650 + $40 per acre	$850 + $50 per acre	28%	31%	29%
11 - 99 acres	$600 + $2.25 per acre	$800 + $3 per acre	$1,050 + $4 per acre	$1,350 + $5 per acre	29%	32%	28%
100 + acres		$1,067 + $1 per acre	$1,406 + $1 per acre	$1,795 + $1 per acre	11%	29%	26%
Vacations							
Utility Easement	$200 per application	$260 per application	$330 per application	$425 per application	30%	27%	29%
Right of Way, Alley & Other	$375 per application	$500 per application	$650 per application	$850 per application	33%	30%	31%
Traffic Impact Study							
Rezoning Traffic Analysis or Traffic Impact Report	$175 per application	$150 per application plus $70 per hour (over 2 hrs)	$150 per application plus $70 per hour (over 2 hrs)	$150 per application plus $75 per hour (over 2 hrs)			
Traffic Design Analysis or waived Traffic Impact Report	$175 per application	$70 per application	$70 per application	$75 per application			
Thoroughfare Plan Amend.	$375 per application	$500 per application	$650 per application	$850 per application	33%	30%	31%
Environmental Worksheet							
Less than 1 acre	$700	$900 per application	$1,200 per application	$1,600 per application	29%	33%	33%
1 - 10 acres	$700 + $35 per acre	$900 + $50 per acre	$1,200 + $60 per acre	$1,600 + $70 per acre	33%	29%	28%
11 - 99 acres	$1,015 + $6 per acre	$1,400 + $8 per acre	$1,800 + $11 per acre	$2,300 + $15 per acre	33%	32%	31%
100 + acres	$1,543 + $0.50 per acre	$2,112 + $1 per acre	$2,779 + $1 per acre	$3,635 + $1 per acre	35%	30%	30%
Environmental Worksheet or Impact Statement							
2 hours or less	To be determined on a contractual basis	To be determined on a contractual basis	To be determined on a contractual basis	To be determined on a contractual basis			
Additional Time Deposit							
Manufactured Home Park							
1 - 10 homes	$600 (1-10 homes)	$800 (1-10 homes)	$1,000 (1-10 homes)	$1,300 (1-10 homes)	33%	25%	30%
11 - 99 homes	$10 per home (11+)	$800 + $12 per home	$1,000 + $15 per home	$1,300 + $20 per home	31%	25%	30%
100+ homes		$1,365 + $5 per home	$1,595 + $5 per home	$1,945 + $5 per home		17%	22%
Manufactured Home Park Amendment	$375 per application	$500 per application	$650 per application	$850 per application	33%	30%	31%
				Average	31%	29%	29%

Incomplete applications or Applications Changes:

Incomplete applications or applications that are changed by the applicant during the review process that result in additional staff time and expenses to review the application, resubmit notices, etc. are required to compensate the Department for these additional costs. The additional fee shall not exceed fifty percent (50%) of the original application fee.

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PLANNING ADMINISTRATIVE SERVICES COMMITTEE

Minutes of the regular meeting of the Planning Administrative Services Committee held on Tuesday, March 4, 2003 in Conference Rooms A and B, located at 2122 Campus Drive SE, Suite 100, Rochester, Minnesota 55904.

Members Present: Mr. Jean McConnell, City Council
Mr. Matt Flynn, County Commissioner
Mr. Jim Bier, County Commissioner
Mr. David Benda, City Council

Members Absent: Mr. Jerry Hendricks Small Cities
Ms. Janet Hoffman, Townships

Staff Present: Mr. Phil Wheeler, Planning Director
Mr. Larry Klemenhagen, Administrative Planning Supervisor
Mr. Dennis Manning, Inspection Division Supervisor
Mr. Ron Livingston, Planning Division Supervisor
Mr. Charlie Reiter, Transportation/Long-Range Planning Supervisor
Ms. Jan Chezick, GIS Division Supervisor
Ms. Mary Sheehan, Secretary

Others Present: Mr. Richard Devlin, County Administrator
Mr. Stevan Kvenvold, Rochester City Administrator

ADMINISTRATIVE BUSINESS:

Chairperson Mr. Jean McConnell called the meeting to order at 12:07 pm.

Mr. Benda moved, seconded by Mr. Flynn to approve the minutes of the February 7, 2003 meeting. The motion carried unanimously.

The agenda was accepted as presented.

ITEMS TO BE PRESENTED:

1. **Background information and fee proposal for land development, environmental, and building-related regulations.**

Mr. Wheeler stated that staff met with Mr. Benda and Mr. McConnell to go over the calculated costs for a typical development in terms of dollars per lot in the City. The cost per lot at the current fee is $71.00. With the proposed fee increases the cost would increase by $25 to $96.00 per lot. With lots selling for $60,000 each, the development fee is a trivial share of the developer's total cost of doing business.

Mr. Klemenhagen explained the proposed fee schedule.

Discussion ensued regarding how fees collected are allocated for determining the recovery rate per services provided.

Mr. Kvenvold stated, if it were not for the present fiscal situation, he would prefer not to increase the fees by 30%, but covering the costs with the general property tax fund is getting more difficult.

Mr. Wheeler stated if fees were not raised, then the County taxpayer at large would need to pay for development in the city of Rochester. The development fee increases would not affect small cities because the cost of building permits would stay basically the same.

Discussion ensued regarding the development fees charged throughout greater Minnesota.

Mr. Wheeler stated that the City Council and the County Board will be going through the proposed fee schedule, recommended by the PASC, and will approve some sort of fee resolution.

Mr. Devlin stated that PASC committee has gone through the Planning Department's budget and come to the conclusion that a fee increase is needed to operate the program. A decision needs to be made as to whether the developer or the taxpayer will bear the costs of administering new developments.

Mr. Benda stated, after reviewing the calculated breakdown of the cost of administering new developments, fees need to be raised. It is still unknown to what extent State aide will be cut. The developer should cover the costs of doing their business.

Mr. Benda moved to approve the fee proposal suggested by staff. Mr. Flynn seconded the motion. The motion carried 4-0.

Mr. Klemenhagen stated that the Planning Department has been asked to accept credit cards, but credit card bank fees would consume 2-3% of the revenue collected.

Mr. Livingston stated that Building & Safety allows contractors to pay for permits using credit. Our zoning fees on those permits are charged along with the whole permit, and then Building and Safety pays the Planning Department for the zoning fee, without deducting the 3% fee.

Mr. Devlin stated that, because Building & Safety offers the service, the Planning Department does not need to provide the service.

Mr. Benda moved to not accept credit cards. Mr. Bier seconded the motion. The motion carried 4-0.

Mr. Wheeler stated that the GIS Division is providing free access to GIS data via the internet website. Small cities get the information from us freely and then provide it to consulting firms, who then charge others for the information. The Planning Department would like to start charging a fee for the value of the data, which would be a significant source of revenue.

Mr. Flynn asked if the general public would have any free access to some of the information.

Ms. Chezick replied that the County does have a general website for the public, but access to detailed GIS data would require a subscription.

Mr. Livingston stated that the subscription fee would be reasonable. It would give the cities a source of information to operate more effectively.

Discussion ensued regarding how the subscription would be handled.

Ms. Chezick stated that, if the subscription fee is reasonable and they can access the most current GIS information, from a business standpoint, small cities and businesses would be smarter to use the County service rather than to hire an engineering firm. She stated that people, who have used the service for the past 4 to 5 years, have come to rely on having access to the most current information.

Mr. Bier stated that the Planning Department would need to inform the public that the internet data service would be available to buy.

Mr. Benda moved to have staff do an analysis for a proposed fee structure for GIS internet services and to include a recommendation for advertising the service. Mr. Bier seconded the motion. The motion carried 4-0.

2. Budget and work program for 2003 and areas of revenue concern.

Mr. Wheeler stated that staff had proposed a number of ideas for cutting the budget, one of which was to no longer provide lunches as part of meetings.

Mr. Devlin stated that having no meals for the PASC meeting would be fine, but the volunteers from the general public that serve on the Advisory Boards, should be provided a meal.

Mr. Wheeler reported on some of the various ways that the Planning Department has reduced the budget. With the proposed fee increase, various cutbacks, and assuming development activity continues, the reduction in the budget is approximately $300,000 or 10%.

OTHER BUSINESS:

No other business was brought forward.

ADJOURNMENT:

The meeting adjourned at 12:55 pm.

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Ms. Petersson stated that they would not let an existing subdivision impact a new subdivision. She stated that she would feel better if she could observe a plant in operation before acting on the request.

Mr. Haeussinger explained the need for asphalt. The quarry has been in operation over 30 years and stated that the quality of rock gets depleted. If asphalt plants move further away, the cost gets passed onto consumers. It would also increase traffic problems with further hauling. He explained that it was a difficult and sensitive issue.

Mr. Staver stated that there is always an issue when there is an existing infrastructure. He stated that he did not hear any technical evidence to deny the request, other than it is distasteful for neighboring properties.

Mr. Staver moved to recommend approval of Restricted Development Preliminary Plan #03-04 by Rochester Sand & Gravel Division of Mathy Construction based on the staff-recommended findings and conditions. Mr. Burke seconded the motion.

Mr. Burke stated that he understands that an asphalt plant is an inconvenience to neighboring properties, but it makes sense to place it in a location that is virtually a hole in the ground.

The motion carried 5-2, with Mr. Quinn and Ms. Petersson voting nay.

CONDITIONS:

1. **A right turn lane and bypass lane will be required from CSAH 20, as required by Olmsted County Public Works.**
2. **Import of materials for processing be limited only to that necessary for the hot mix asphalt facility.**
3. **A grading and drainage plan shall be provided to Rochester Public Works and approved for paving the primary access road, constructing the sedimentation basin, and related grading necessary to provide positive drainage to the sedimentation basin.**

Ms. Wiesner stated that the request would go before the City Council and that those that were previously notified would receive notices of that meeting.

Text Amendment #03-02 initiated by the City Planning and Zoning Commission, to amend Section 60.175 regarding Fees of the Rochester Zoning Ordinance and Land Development Manual. This amendment will adjust fees pertaining to zoning permits and development applications beginning 2003. Copies of the proposed fee schedule are available at the office of the Rochester Olmsted Planning Department, 2122 Campus Dr. SE, Suite 100, Rochester, Minnesota or on the web at: www.olmstedcounty.com/planning/rochcommission/proposed fees.htm.

Mr. Larry Klemenhagen presented the staff report, dated March 20, 2003, to the Commission. The staff report is on file at the Rochester-Olmsted Planning Department.

Mr. Klemenhagen explained that, when comparing expenses to revenue, we have been slipping. Development applications are currently recovering 43 percent of expenses. The remainder is paid by the tax levy. The question and policy the Commission is looking at is how much of the tax levy should be used.

Ms. Wiesner expressed concern over the increased cost for each application. She also expressed concern with duplication of services with Public Works and asked that it be streamlined.

Mr. Burke expressed concern whether or not the public was adequately informed of the proposed changes and meetings.

Mr. Klemenhagen stated that Phil Wheeler and he met with the Rochester Builders Association. He indicated that they were informed of the Commission's meeting.

Discussion ensued regarding incomplete applications and revisions made throughout the process. Ms. Wiesner stated that an exact amount needed to be used rather than a percentage.

Mr. Klemenhagen explained that the new fees wouldn't begin until approximately May 2003.

Mr. Haeussinger expressed concern with having a 60 percent change within 8 months.

Mr. Quinn asked if, at the end of 2005, the Planning Department expected to have the percentages where originally projected.

Mr. Klemenhagen stated that the development applications recovery rates at that time would be back up in the 75 percent range.

Mr. Haeussinger stated that the County is getting a lot less cut from the State than the City. For example, the City would be cut 10 million and the County 4.7 million. He stated that the Planning Department portion of underwriting for the City of Rochester is small proportionally.

Mr. Klemenhagen explained that they do not receive tax levy from the City of Rochester. He explained that the County tax levy and fees support the Planning Department.

With no one else wishing to be heard, Ms. Wiesner closed the public hearing.

Mr. Staver stated that there was too much incomplete information based on the comments by the Commission. He stated that efficiencies, with regard to redundant applications, needed to be looked at. He also expressed concern about the notification process.

Mr. Staver moved to recommend denial of Text Amendment #03-02 initiated by the City Planning and Zoning Commission. Mr. Burke seconded the motion. The motion to deny carried 5-2, with Mr. Ohly and Ms. Petersson voting nay.

Mr. Klemenhagen asked for suggestions or changes from the Commission.

Ms. Wiesner expressed concern with the following:

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- Why addressing was taken from Building & Safety Department, as it is a very slow process.
- Public Works reviewing plans repeatedly, as plans are routed to them many times.
- Why Public Works needs to review the site development plans when they take care of the grading plans.

Mr. Svenby explained that their review was of the Zoning Ordinance. They send referrals to the Fire Department, RPU, and Public Works so they can review it for capacity of public facilities.

Mr. Staver stated that the process needed to be streamlined.

Mr. Burke stated that the Planning Department needed to get recommendations from the developers to streamline the process. He indicated that he knew of developers that did not know of the meeting one week ago.

Mr. Staver stated that a committee needed to be established to discuss the fees and process.

Discussion ensued regarding increments of 30 percent.

OTHER BUSINESS:

1. **Zoning Ordinance Text Amendment to Section 60.506**

Ms. Petersson moved initiate a text amendment to Section 60.506. Mr. Staver seconded the motion. The motion carried 7-0.

2. **As may be brought up with members**

No discussion items were brought forward.

ADJOURN:

Motion made by Ms. Petersson to adjourn, seconded by Mr. Haeussinger. Ms. Wiesner, Chair, adjourned the meeting at 10:20 p.m.

Respectfully Submitted:

Philip H. Wheeler, AICP

Ms. Lisa Wiesner, Chair

jlg

PUBLIC HEARINGS:

Type III Phase I Conditional Use Permit #03-07 by Christ United Methodist Church. The applicant is proposing to develop a parking facility in the CDC – Medical District. The property is located along the south side of 4th St. SW, along the west side of 4th Ave. SW and along the north side of 5th St. SW.

Ms. Mitzi A. Baker presented the staff report, dated April 1, 2003, to the Commission. The staff report is on file at the Rochester-Olmsted Planning Department.

Ms. Baker explained the need to clarify requirements of the section applying to 8-foot green space between the right-of-way and parking lot.

Mr. Burke moved to approve of Type III Phase I Conditional Use Permit #03-07 by Christ United Methodist Church with staff-recommended conditions. Ms. Petersson seconded the motion. The motion carried 8-0.

CONDITIONS:

1. **The Landscape Plan must be amended to comply with Section 63.455, 2, b.**
2. **Pavement markings and signs must be provided to identify the direction of traffic flow at access openings and (enter, exit, one-way, etc.) for drive isles.**

OTHER BUSINESS:

1. **Initiate Text Amendment**

Mr. Wheeler handed out proposed text to change Sections 64.260, 64.261, 64.262, and 64.263 regarding addressing, as requested by the GIS Division.

Ms. Petersson moved to initiate a text amendment to Sections 64.260, 64.261, 64.262, and 64.263. Mr. Staver seconded the motion. The motion carried 8-0.

2. **Further discussion of fees**

Mr. Wheeler asked that the Commission reconsider the Commission's previous motion on March 26, 2003. He explained that the Fee Scheduled needed to be a part of the Ordinance by State Law. He stated that, since the Planning Department has not adjusted the fees since 2000, they need to include the fees in the Ordinance, even if they use the current listed fees.

Mr. Haeussinger moved to reopen and reconsider Text Amendment #03-02 initiated by the City Planning and Zoning Commission, to amend Section 60.175 regarding Fees of the Rochester Zoning Ordinance and Land Development Manual. Mr. Quinn seconded the motion. The motion carried 8-0.

Mr. Haeussinger moved to include the current fee schedule in the Ordinance, using the fee's currently in-place (2000 fee's).

Mr. Quinn seconded the motion.

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Mr. Hodgson stated that some of the increases were appropriate. He expressed concern with watered down service from the Department if fee's were not increased. He stated that it could cost taxpayers more if there is not an increase in fees.

The motion carried 8-0.

Mr. Staver asked for clarification of the increases.

Mr. Quinn expressed concern with one immediate increase, and another in January 2004, pointing out there would only be about 6 months between the increases

Mr. Wheeler explained that they could designate when the increase would become effective.

Mr. Quinn stated that it was better to have a fixed date than by going year to year.

Mr. Staver asked if staff would prefer that the increase coincide with the budget.

Mr. Wheeler responded that it had more to do with the building season than the budget cycle.

Mr. Quinn questioned whether they are just balancing the budget through the fees or if they were just reflective of cost of living increases.

Mr. Burke stated that they should quantify cost per lot.

Mr. Wheeler presented the table of cost increases per development type. He explained that the cost per lot breakdown would be $19.00 the first year and then approximately $20.00 for the next year.

Discussion ensued regarding per lot and per development cost increases and impact to developers/applicants.

Mr. Wheeler explained that we currently recover 43% of the costs of processing development applications. The goal of the Planning Department is to recover 75 percent of those expenses. He explained that the current budget crisis is influencing the increase of fees. However, we are not attempting to use fee increases to eliminate reliance on the levy. He explained that the County would need to lay off a significant number of employees even if fees are increased.

Ms. Wiesner asked what would happen beyond the next three years. She questioned if the fees would increase at that time.

Mr. Wheeler responded that he was unsure. He explained that changes to the Ordinance have increased staff costs and gave examples of such changes (ex. neighborhood meetings, notifications for certain notices that were done by the City Clerk's office that the Planning Department now does, and more applications for special districts which are time consuming and complicated).

Discussion ensued on the length of the fee schedule.

Discussion ensued regarding updating the City of Rochester Land Development Manual and Zoning Ordinance.

Mr. Wheeler explained that some metro communities have more land use plans and zone changes due to a narrow list of uses that can occur within a land use designation. Some communities require a base fee plus an escrow fee for actual time spent on an application.

Ms. Rivas asked for more information regarding the 75 percent recovery.

Ms. Wiesner asked if they could reduce the cost by reducing hearings and meetings.

Mr. Wheeler responded that the level of community input desired by elected officials impacts what types of items need to go through the public review process. He explained that the Planning Department has been directed to provide notification beyond Statute requirements, which increases costs. He stated that the fee question becomes not how much public review should there be but who should pay for the increase in cost, the applicant or taxpayers.

Mr. Staver asked if a 75 percent recovery rate was the goal.

Mr. Wheeler agreed, reiterating that we are currently covering 43 percent of the expenses leaving 57 percent covered by the County taxpayers.

Mr. Burke asked if the increase in percentage is related to the actual cost for the different applications.

Mr. Wheeler responded yes.

Mr. Burke asked Mr. Wheeler if once we get to 75% recovery in 3 years, if he thinks increases could be kept to Cost of Living increases?

Mr. Wheeler responded yes. He stated that he anticipates that, with technological advances, additional efficiency improvements can be made.

Mr. Hodgson suggested approving the fees for the first two years, but reviewing the third year later.

Mr. Quinn stated that he did not want to micromanage the department. He indicated that, at the end of the third year, there could be other factors (state cuts) that could impact the recovery at that time.

Mr. Wheeler stated that no matter what the State does, the Ordinance or the way in which it administered would have to be changed to recover more than 75 percent.

Mr. Haeussinger moved to recommend approval of the first two years, with the third year to be reviewed again prior to adoption. The first increase would be upon adoption, or June 1, 2003, the second would occur 1/1/04. The third increase would need to be re-submitted to the Commission and Council for review and would occur in early 2005 so that a report could be provided identifying the financial status of fee increases and Department cost using all of 2004 data.

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Mr. Hodgson seconded the motion.

Ms. Rivas express concern with micromanaging and stated that the increases are needed.

Mr. Burke stated that the first increase should begin 1/1/04, the second increase on 1/1/05, and the third increase to be determined at a later time.

Mr. Quinn amended his original motion to have the first increase to occur on 1/1/04, the second increase to occur 1/1/05, and the third increase to be considered at a later time.

Mr. Wheeler stated that the motion would cost approximately $70,000 in 2003. He stated that he would prefer that the fees begin this year to cover part of the expenses of 2003. The Department would prefer to have the first increases begin in June.

Ms. Wiesner expressed concern about the impact on the developers and their representatives who have already arranged for bank loans based on the old fees.

Mr. Wheeler explained that the systems the fees support actually help reduce the cost of borrowing money because the processing time of the applications is relatively quick. The application process is 2 to 3 times faster than what is being done in the Twin Cities.

Mr. Quinn withdrew his motion to amend.

Mr. Quinn moved to amend his original motion to have the first increase to occur on 6/1/03, the second increase to occur on 6/1/04, and the third increase to be considered at a later time. Ms. Rivas seconded the motion. The motion to amend carried 8-0.

The original motion carried 8-0.

3. **As may be brought up with members**

No discussion items were brought forward.

ADJOURN:

Motion made by Ms. Petersson to adjourn, seconded by Ms. Rivas. Ms. Wiesner, Chair, adjourned the meeting at 8:13 p.m.

Respectfully Submitted:

Philip H. Wheeler, AICP

Ms. Lisa Wiesner, Chair

jlg