



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

MCPB
Item # 5
7/25/02

July 19, 2002

MEMORANDUM

TO: Montgomery County Planning Board

VIA: Charles R. Loehr, Director
Department of Park and Planning

FROM: Joseph R. Davis, Chief *JRD*
Development Review Division

Catherine Conlon, Planning Coordinator *CAC*
Countywide Planning Division-Environmental Planning

SUBJECT: Increase in Filing Fees For Applications Processed by the Department of
Park and Planning for FY 03

During the County Council's recent deliberations on the Department's FY 03 Operating Budget, they discussed application filing fees in light of the recovery rates established by the Council. For several years, the Department has operated under a 75 percent cost recovery for subdivision plans, site plans, project plans, amendments to approved plans, extensions, and subdivision waiver requests. The rationale for the 75 percent recovery rate was recognition that the public shared some cost of the review process based on the fact that final decisions for these plans involved judgments that were beyond the control of applicants. The Board's decisions often involve interpretations of laws, regulations and master plans, findings of compatibility and resolving issues that may be raised by the community in the course of public review. The recovery rate for record plats was set at 100 percent because plat reviews are primarily administrative in nature.

Until recently, the County Council retained authority for adjusting fees for natural resource inventories/forest stand delineations (NRI/FSD's) and for forest conservation plans (FCP's). The recovery rate for NRI/FSD's is surprisingly high at 63 percent and the recovery rate for forest conservation plans (FCP's) is lower, around 50 percent. The Council had originally established a cost recovery rate for these applications at 100 percent. Fee increases to reach this level were to be accomplished by incremental increases over time. However, the last fee revision occurred in the mid-nineties. The Council recently transferred authority to the Planning Board to set fees for the NRI/FSD's and FCP's, as part of comprehensive revisions to the forest conservation law

and regulations. The Council determined that the recovery rates for NRI/FSD's and FCP's should be set at 100 percent cost recovery.

The Council determined that moving to a 100 percent cost recovery goal for all applications would be appropriate because of the tight fiscal situation that the County currently faces. In our FY 03 budget discussions with the Council, staff provided preliminary estimates of application revenues for FY 02 and compared that with our fee recovery goals. At that time, staff's analysis was based on data available through the end of February 2002. Data now available for all of FY 02 shows that our fee revenue was not as high as originally projected. This is due in part to the fact that some of the plans filed early in the fiscal year involved large projects with large filing fees. This had the effect of skewing the analysis to project higher revenue on an annualized basis. Staff over-estimated the revenue picture by about 10 percent. When the Council asked how much additional revenue would be needed to achieve 100 percent fee recovery, our estimate was about \$125,000. This represents the amount of additional revenue that the Council decided that we should charge applicants in FY 03.

The following tables show the cost recovery for the various applications for FY 01 and FY 02. The cost recovery for FY 01 fell short of cost recovery goals for several plans. This reflected the fact that fees had not been raised since 1999. There had been a 10 percent surcharge placed on applications during the period of FY 99 through FY 01 to help recover the costs associated with the new development review computer system. As part of the FY 02 Operating Budget discussions, the County Council eliminated the 10 percent surcharge and directed the Planning Board to consider raising the application fees by 10 percent to better achieve the Council's cost recovery goals. An actual increase in filing fees, as shown on the fee schedule, did not occur because the increase was fully offset by elimination of the prior surcharge. The data for FY 02 shows that, except for the NRI/FSD's and the FCP's, cost recovery was very close to the goals set by the Council.

Table 1
Summary of Applications Filed
And Cost Recovery for FY 01

| Application Type | Number of Applications | Cost Recovery Percentage | Cost Recovery Goal |
|---------------------|---------------------------|--------------------------------|--------------------------|
| Subdivisions | 173 | 70% | 75% |
| Site Plans | 57 | 80% | 75% |
| Project Plans | 10 | 50% | 75% |
| Record Plats | 287 | 90% | 100% |
| NRI/FSD | 120 | 41% | 100% |
| FCP | <u>184</u> | 41% | 100% |
| Total Plans | 831 | | |

**Table 2
Summary of Applications Filed
And Fee Recovery For FY 02**

| Application Type | Number of Applications | Cost Recovery Percentage | Cost Recovery Goal |
|------------------|------------------------|--------------------------|--------------------|
| Subdivisions | 208 | 74% | 75% |
| Site Plans | 56 | 74% | 75% |
| Project Plans | 3 | 73% | 75% |
| Record Plats | 280 | 101% | 100% |
| NRI/FSD | 174 | 63% | 100% |
| FCP | <u>211</u> | 51% | 100% |
| Total Plans | 932 | | |

Table 3 provides a more detailed description by plan type of fee recovery for FY 02. The data shows the labor costs associated with the various plan reviews and the application fees that were collected.

**Table 3
Fee Recovery For FY 02**

| Application Type | # of Applic. | Total Labor Costs FY 02 Rates | Fee Revenue | Cost Recovery | Cost Recovery Goal |
|------------------|--------------|----------------------------------|----------------|---------------|--------------------|
| Subdivisions | 208 | \$493,800 | \$366,065 | 74% | 75% |
| Site Plans | 56 | 350,000 | 260,148 | 74% | 75% |
| Project Plans | 3 | 36,900 | 27,140 | 73% | 75% |
| Record Plats | 280 | 125,160 | 126,400 | 101% | 100% |
| NRI/FSD | 174 | 41,225 | 25,980 | 63% | 100% |
| FCP | <u>211</u> | <u>226,186</u> | <u>114,679</u> | 51% | 100% |
| Totals | 932 | \$1,273,271 | \$920,412 | | |

The table shows that the recovery rate in FY 02 for subdivision plans was about 74 percent. This figure includes pre-preliminary plans, preliminary plans, plan amendments, plan extensions and requests for waivers. There is some variance in cost recovery among these plans but overall, the cost recovery goal for subdivision plans was met in FY 02. A 19 percent increase in pre-preliminary plan and preliminary plan application fees is recommended for FY 03 to better achieve the higher fee recovery goals for subdivision plans. For site plans, a 22 percent increase is in order and an 18 percent increase for project plan fees. These increases should result in the recovery of the \$125,000 additional fee recovery identified in the FY 03 Operating Budget.

In July of 2001, the Planning Board increased the application fees for plan amendments filed in FY 02 noting that the increase would probably not achieve the 75 percent cost recovery goal then in effect. The Board was concerned about raising the fees too much at one time and wanted to monitor these fees and require additional increases over time until cost recovery goals are achieved. Staff has examined fee recovery for plan amendments filed in FY 02 and finds that for many plan amendments, the nature of the amendments are such that the same level of review is required as for the original plan. Therefore, staff recommends that for FY 03, the fee for plan amendments be the same fee charged for an original application, unless reduced by the Director upon demonstration that the amendment is minor in nature and does not require the same level of review as the original approval. For smaller plans, such as those involving nine dwelling units or less, the amendment fee would actually be reduced.

Table 3 shows that the fee recovery rate for FCP's is lagging. This has been the case for several years. Achieving 100 percent cost recovery for FCP's will require a significant increase (49 percent). The fee recovery rates for NRI/FSD's does not reflect the fact that a portion of the NRI/FSD cost is actually attributable to review of NRI/FSD's associated with forest conservation exemption requests. Up to this time, fees have not been charged for these reviews. To address this inequity, staff proposes to implement a new fee for review of exemption requests. Consequently, the fee increase for standard NRI/FSD's would be moderate (23 percent). These changes will meet the 100% cost recovery, as recommended by the County Council when they revised the forest conservation regulations.

In accordance with the County Council's recent budget directive, staff has analyzed the current fees, labor costs, and projected the increases that would be necessary to meet cost recovery goals. Application fee increases on the order of 20 percent are necessary to achieve the additional \$125,000 cost recovery desired by the Council for subdivisions, site plans and project plans. Staff has distributed the \$125,000 applications increase fairly evenly across subdivisions, site plans and project plans. Table 4, presented on the next page, shows the revenues necessary to recover a majority of the anticipated labor costs for reviewing applications in FY 03. The only decrease proposed involves a 2 percent reduction in the fee for a record plat application.

Staff recently assumed the responsibility for reproducing record plats in-house. We are able to do this because new reproduction equipment allows us to reproduce maps and plats on linen and mylar materials with quality that meets State archival standards. We can reproduce plats in-house at less cost than we did using an outside contractor. We propose reducing the fee currently charged for plat reproduction from \$135 to \$100. We need to increase our labor cost for plat review by \$25 to achieve 100% cost recovery for FY 03. This will result in a net reduction of plat fees from \$687 to \$675.

Table 4
Estimated Fee Recovery
For FY 03

| Application Type | # of Applic. | Estimated Labor Costs <u>FY 03 Rates</u> | Estimated Fee <u>Revenue</u> | Estimated Cost <u>Recovery</u> | Fee Recovery <u>Goal</u> |
|------------------|--------------|---|---------------------------------|-----------------------------------|-----------------------------|
| Subdivisions | 208 | \$518,490 | \$436,065 | 85% | 100% |
| Site Plans | 56 | 367,500 | 309,148 | 84% | 100% |
| Project Plans | 3 | 38,745 | 33,140 | 85% | 100% |
| Record Plats | 280 | 131,418 | 131,600 | 100% | 100% |
| NRI/FSD | 175 | 35,332 | 35,332 | 100% | 100% |
| FCP Exempt. | 225 | 7,835 | 7,835 | 100% | 100% |
| FCP | <u>210</u> | <u>236,844</u> | <u>236,844</u> | <u>100%</u> | 100% |
| Totals | 1,157 | \$1,336,164 | \$1,189,964 | 89% | |

Attachment # 1 shows our current fee schedule and the proposed fee schedule that would be necessary to achieve Council's cost recovery goals.

Attachment # 2 is a draft of the Planning Board resolution that provides the formal mechanism for adopting the new fees. Staff recommends that the new fees be made effective on August 1, 2002.

Attachment 1. Proposed Fees

| Type of Application | Current Fee Schedule | Proposed Fee Schedule |
|--|--|--|
| Pre-Application Submission | | |
| Staff review only | \$440 | \$525 |
| Staff and Planning Board Review | \$660 | \$785 |
| NRI/FSD | | |
| Single-Family Residential | \$100 | \$125 |
| Multi-Family, Commercial, Industrial, Institutional, Religious | \$200 | \$250 |
| FCP Exemption Requests | \$0 | \$35 |
| Preliminary Plan of Subdivision | | |
| <u>Residential</u> | | |
| 1 – 9 units | \$1,100 | \$1,300 |
| 10 – 49 units | \$2,200 | \$2,620 |
| 50 or more units | \$3,300 plus \$22 x # of units > 50 units | \$3,900 plus \$26 x # of units > 50 units |
| <u>Commercial/Industrial</u> | | |
| up to 9,999 s.f. | \$1,650 | \$1,963 |
| 10,000 to 24,999 s.f. | \$2,200 | \$2,618 |
| 25,000 s.f. or more | \$3,300 plus \$0.02 x s.f. > 25,000 s.f. | \$3,900 plus \$0.02 x s.f. > 25,000 s.f. |
| <u>Institutional/Religious</u> | \$1,100 | \$1,300 |
| Amendments to Approved Plans | \$2,200 | same as preliminary plan |
| Extensions to Approved Plans | \$660 | \$785 |
| Subdivision Regulation Waiver Request | \$660 | \$785 |
| Project Plan | | |
| <u>Residential</u> (D.U.s) | \$1,870 plus \$18 x # of dwelling units | \$2,280 plus \$22 x # of dwelling units |
| <u>Commercial</u> (GFA) | \$1,870 plus \$0.015 x s.f. | \$2,280 plus \$0.02 x s.f. |
| Amendments | \$2,200 | same as Project Plan |
| Extensions | \$660 | \$805 |
| Sign deposit | \$70 per sign (\$60 sign refund) | \$70 per sign (\$60 sign refund) |
| Site Plan | | |
| <u>Residential</u> | | |
| 1 – 9 units | \$2,200 | \$2,600 |
| 10 or more units | \$3,300 plus \$22 x # of units > 10 units | \$3,900 plus \$26 x # of units > 10 units |
| <u>Commercial/Industrial</u> | | |
| up to 9,999 s.f. | \$2,200 | \$2,600 |
| 10,000 s.f. or more | \$3,300 plus \$0.02 x s.f. > 10,000 s.f. | \$3,900 plus \$0.02 x s.f. > 10,000 s.f. |
| <u>Institutional/Religious</u> | \$2,200 | \$2,600 |
| Amendments to Approved Plans | \$2,200 | same as Site Plan |
| Record Plat | \$687 x # of plats | \$675 x # of plats |



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

MCPB No.

RESOLUTION

WHEREAS, The Maryland-National Capital Park and Planning Commission, by virtue of Article 28 of the Annotated Code of Maryland, is authorized to set fees for its various regulatory review functions; and

WHEREAS, analysis of FY 02 data shows that an increase in application fees for plans submitted in FY 03 would be necessary to achieve new cost recovery goals, as established by the County Council; and

WHEREAS, the Commission's adopted FY 03 budget assumes a \$125,000 increase in fee revenue for subdivision, site plans and project plans; and

WHEREAS, the Commission's adopted FY 03 budget assumes a 100% cost recovery for Natural Resources Inventory/Forest Stand Delineations and Forest Conservation plans; and

WHEREAS, the Planning Board agrees with staff's recommendation to add a new fee to recover costs associated with the review of Forest Conservation plan Exemption request; and

WHEREAS, the Planning Board agrees with staff's recommendation that the fee for amendments to approved plans should be the same as new plans in order to achieve the cost recovery goals established by the County Council.

NOW, THEREFORE, BE IT RESOLVED, that the Montgomery County Planning Board does hereby adopt fee increases as reflected in the attached fee schedule for FY03. The Planning Board also authorizes the Director of the Department of Park and Planning or his designee to allow appropriate reductions in the filing fee for any amendment to an approved plan that is minor in nature.

This is to certify that the foregoing is a true and correct copy of a resolution adopted by the Montgomery County Planning Board of The Maryland-National Capital Park and Planning Commission on the motion of Commissioner ____, seconded by Commissioner ____; with Commissioners' ____, ____, and ____ voting in favor of the motion and at its regular meeting on Thursday, July 18, 2002, in Silver Spring, Maryland.

Trudye Morgan Johnson
Executive Director