



MONTGOMERY COUNTY DEPARTMENT OF PARK & PLANNING

THE MARYLAND-NATIONAL CAPITAL
PARK AND PLANNING COMMISSION8787 Georgia Avenue
Silver Spring, Maryland 20910-3760Item #7
MCPB
6/19/03

June 13, 2003

MEMORANDUM

TO: Montgomery County Planning Board

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

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

SUBJECT: Increase in Filing Fees for Regulatory Applications Processed by the Department of Park and Planning for FY 04

As part of the County Council's action on the Department's FY 04 Operating Budget, the Council directed us to adjust the filing fees for regulatory applications to achieve 100 Percent cost recovery for our plan reviews. The Council directed us to move toward full cost recovery as part of the FY 03 Operating Budget, noting that the tight fiscal situation warranted this action. Last year, fees were increased to recover an additional \$125,000; but we did not attain the 100 percent cost recovery goal. For FY 04, additional increases in application fees are needed for all plans, except for record plats, to achieve the County Council's cost recovery goal.

In our FY 04 budget discussions with the Council, staff provided preliminary estimates of application revenues for FY 03 and compared them with our cost recovery goals. At that time, we estimated that we would achieve full cost recovery for site plans, project plans and record plats. We also estimated that subdivisions would achieve 90 percent cost recovery and forest conservation related applications would achieve lower cost recovery ranging from 53 percent to 81 percent cost recovery. Attachment #1 is the April 18, 2003 staff memorandum that was reviewed by the County Council at the budget worksessions.

In the April 18th memorandum, staff noted that the large number of staff vacancies experienced during FY 03 effectively reduced staff costs for certain application reviews, thus giving the appearance of increasing our cost recovery rates. With full staffing, we will expect higher review costs in FY 04 than we are experiencing during FY 03. The Council expressed their concern that with full cost recovery for regulatory reviews, we should fill all positions to assure high quality reviews and timelier processing of applications. The Council revised the

Development Review Division Budget to restore a lapsed subdivision review position and directed that the salary for this position be recovered through increased fees.

We have updated the estimated cost recovery by plan type for FY 03 and we now estimate that we will achieve full cost recovery for all plans except the forest conservation related applications. Clearly, application fees must be increased for the forest conservation program. For FY 04, however, we estimate that with full staffing we will not achieve full cost recovery for all plan types without increasing application fees. This information is depicted in the following table that assumes full staffing, no application fee increases for FY 04 and the same level of application activity:

Table 1
Estimated Cost Recovery For FY 03 and FY 04
Under Current Fee Schedule

<u>Application</u>	<u>FY 03 Estimated Cost Recovery %</u>	<u>FY 04 Estimated Cost Recovery %</u>
Pre-Preliminary Plans, Preliminary Plans, Extensions and Plan Amendments	100%	85%
Site Plans and Amendments	127%	97%
Project Plans and Amendments	126%	91%
Record Plats	104%	98%
NRI/FSD's	73%	51%
Forest Conservation Plans (FCP)	49%	37%
FCP Exemptions	74%	71%

In order to assure full cost recovery for our regulatory planning program, staff recommends that the application fees for FY 04 be increased. Staff has determined the proposed fee increases by dividing the FY 04 estimated costs by the FY 03 revenue for each plan type to determine the fee multiplier or factor. The FY 03 application fee was multiplied by the resulting factor to determine the amount of the new fee. Attachment #2 shows the new fees necessary to achieve full cost recovery for FY 04 and current fees for FY 03.

Table2, below, is a revision to Table 3 of Staff's April 18th memo (Attachment #1). This table shows our latest estimated cost recovery for FY 03. The data reflects applications filed through the end of May that has been annualized to reflect the entire fiscal year.

Table 2
Estimated Cost Recovery
For FY 03

<u>Application Type</u>	<u># of Applic.</u>	<u>Estimated Labor Costs FY 03 Rates</u>	<u>Estimated Fee Revenue</u>	<u>Estimated Cost Recovery</u>
Subdivisions	200	\$368,400	\$370,931	100%
Site Plans	71	297,000	379,223	127%
Project Plans	6	45,000	56,839	126%
Record Plats	355	150,418	157,407	104%
NRI/FSD	134	30,000	21,982	73%
FCP Exempt	202	7,070	5,200	49%
FCP	<u>106</u>	<u>196,000</u>	<u>97,769</u>	74%
<u>Totals</u>	1,074	\$1,093,888	\$1,089,351	

While the cost recovery for all applications is expected to be nearly 100 percent, we will meet or exceed cost recovery goals for some applications and fall short in others. Under staff's proposed new fee schedule, we expect to achieve full cost recovery in FY 04 for all applications, assuming full staffing levels. It is important to note that our high fee recovery rates for site plans, project plans and subdivisions are due to the high vacancy rate that has existed through the entire year.

Table 3 depicts our anticipated labor costs for FY 04, which include full staffing of the approved positions. The proposed fee schedule assumes the same high-level of application submissions that have occurred over the last two years. By applying the multiplier for each type of application we expect to achieve full cost recovery.

Table 3
Estimated Labor Costs
For FY 04

Application Type	# of Applic.	Estimated Labor Costs <u>FY 04 Rates</u>	Estimated Cost <u>Recovery</u>
Subdivisions	200	\$441,616	100%
Site Plans	71	389,680	100%
Project Plans	6	61,800	100%
Record Plats	355	160,418	100%
NRI/FSD	134	43,500	100%
FCP Exempt	202	7,353	100%
FCP	<u>106</u>	<u>264,160</u>	100%
<u>Totals</u>	1,074	\$1,368,527	

As part of the Council's budget discussions, the Council expressed concern that our publications and map fees were too low and should be increased to achieve full cost recovery. Staff proposes to increase the fees charged for master plans to reflect the printing costs for these documents. Since all master plan texts are available via the M-NCPPC web site, customers have an option to either download the texts through the Internet or to purchase a copy at our Information Counter. Attachment #3 shows the current purchase price for master plans reprinted in FY 04 and the cost recovery under current pricing.

For copies of zoning maps and record plats, staff currently charges \$2/print. This fee has been in place for many years and does not recover staff costs to make prints or to pay for the paper. Staff recommends increasing the cost of zoning maps and plats to \$5/print to achieve full cost recovery.

JRD:CC
 Attachments

April 18, 2003

MEMORANDUM

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

FROM: Joseph R. Davis, Chief
Development Review Division

Cathy Conlon, Planner Coordinator
Countywide Planning Division-Environmental Planning

SUBJECT: Information Concerning Fee Recovery Rates for the FY 03 Regulatory
Review Program

Staff has recently completed a review of application data through March, 2003 to estimate cost recovery rates for the FY 03 regulatory applications processed by the Department. Our analysis utilized actual revenue collected from application fees during the first three quarters of FY 03 and estimates the application activity anticipated during the final quarter of the fiscal year. The data for the revenues collected has been compared to the personnel labor costs associated with each type of plan reviewed during the same period. Staff estimates that our total revenues for subdivision plans, project plans, site plans, record plats, natural resource inventories/forest stand delineations (NRI/FSD) and forest conservation plans (FCP) will total about \$1,020,506 for FY 03. We also estimate that our staff costs for processing and reviewing plans during FY 03 will be about \$1,093,888. This would result in a cost recovery of about 93 percent for the year. Cost recovery in FY 02 was about 73 percent.

As part of the Council's FY 03 Budget discussions, they requested that we increase our fees to recover an additional \$125,000 of staff review costs and move to full cost recovery for all of our plan reviews. In July of 2002, the Planning Board increased the filing fees to fully recover the \$125,000 of additional revenue required by the FY 03 Budget. This would increase fee recovery to about 85 percent for subdivision, project plans and site plans in FY 03. In addition, the fees for FCP's and NRI/FSD's were increased by 50 percent to try and achieve a 75 percent cost recovery in FY 03. In keeping with past practice of phasing in large application increases, the Board concluded that additional increases for preliminary plans, site plans, NRI/FSD's and FCP's would be required in FY 04 to fully implement the Council's goal of 100 percent cost recovery.

During this year, the Development Review Division has operated with a significant number of vacancies and staff turnover. While some vacancies have been filled with new career staff or contract staff, several vacancies remain. One senior planner position is frozen (Subdivision Section) for budget purposes. We have shifted available staff to help address critical needs, but the lack of staff affected review times for applications, decreased the number of site inspections that could be accomplished and adversely affected our zoning work program (Zoning Ordinance Rewrite Project). Operations in our Information and Publications Section were also affected by two vacancies that reduced our level of customer service to the public who visit the Department's information counter.

With regard to application cost recovery, the vacancies effectively reduced the staff costs for certain application reviews, thus giving the appearance of increasing our cost recovery rate. For example, we estimated a cost recovery rate of about 85 percent this fiscal year for subdivision plan reviews. Our current estimate is that we will recover about 90 percent of our labor costs because of the vacant senior planner, site inspectors and support staff positions that have occurred during the year.

Table 1 shows our estimated cost recovery by plan type for FY 03:

Table 1
Estimated Cost Recovery For FY 03

<u>Application</u>	<u>Estimated Cost Recovery %</u>
Pre-Preliminary Plans, Preliminary Plans, Extensions and Plan Amendments	90%
Site Plans and Amendments	116%
Project Plans and Amendments	116%
Record Plats	105%
NRI/FSD's	81%
Forest Conservation Plans (FCP)	53%
FCP Exemptions	75%

Staff will recommend fee increases in July for subdivision plans, NRI/FSD's and FCP's to advance to the Council's 100 percent cost recovery goal set last year. We anticipate a

similar level of application activity in FY 04. If the senior planner position is to be filled in FY 04, then the increase in fees will have to include recovery of that projected salary since that position is not reflected in the personnel costs for FY 03. Staff recommends filing this position because this vacancy has affected our performance measures for both subdivision plan and record plat review. As noted in the recent Bi-Annual Report, our review times have increased by over three weeks per plan on average because of the staffing shortage.

Site plan and project plan application review fees are meeting the Council's cost recovery goals of 100 percent. Again, staff vacancies during FY 03 are skewing the cost recovery data; however, even with full staffing of the inspector positions, we expect cost recovery to be near 100 percent. For now, it appears that these application fees will not need to be increased for FY 04. We will need to look at site plan and project plan application data again in early July to see if our estimates hold over the last quarter of this fiscal year. The same is true with record plats.

With regard to forest conservation plans, our cost recovery will be less than the expected 75%. When the fees were increased last July, the fees were set to recover an additional 50% increase over the amount collected in FY 02. This was another instance of a phased increase with the additional increase to 100 percent cost recovery to occur in FY 04. The estimated cost recovery for FY 03 is shown in Table 1. In part, we believe that reduced revenues for both subdivisions and FCP's result from twelve fewer subdivision applications being filed this year and reduced size of subdivision plans since there are per lot fees in addition to the base fee. The labor costs shown for FCP's also reflect work that is not included in the application fees. For example, there is significant fieldwork conducted in response to citizen complaints that involve projects already built. We are also carrying over plan review work from prior years when the FCP fees were very low. It may take another two years to more fully reflect the real labor costs associated with these carry-over plans.

For the NRI/FSD's and the FCP exemptions, we estimate that we will achieve 81 percent cost recovery for NRI/FSD's, which exceeds the interim 75 percent goal and 75 percent cost recovery for FCP exemptions, which is less than the 100 percent goal set last year. The number of NRI/FSD's submitted in FY 03 will be lower than estimated last July and we don't know yet the reason for this. The exemptions included about 50 applications that the \$35 review fee was not collected. Some of these were submitted before the fee was enacted and the rest had fees waived by staff. These fees are no longer waived.

Table 2 is the estimated cost recovery for FY 03 that reflects the fee increases and phased implementation of the 100 percent cost recovery as enacted last July by the Planning Board. Table 3 is our current estimate of cost recovery for FY 03 based on actual data through the end of March and estimates for the end of the year. These tables are found on the following page:

**Table 2
Estimated Cost Recovery
In July, 2002
For FY 03**

<u>Application Type</u>	<u># of Applic.</u>	<u>Estimated Labor Costs FY 03 Rates</u>	<u>Estimated Fee Revenue</u>	<u>Estimated Cost Recovery</u>	<u>Interim Cost Recovery Goal</u>
Subdivisions	208	\$518,490	\$436,065	85%	85%
Site Plans	56	367,500	309,148	85%	85%
Project Plans	3	38,745	33,140	85%	85%
Record Plats	280	131,418	131,600	100%	100%
NRI/FSD	175	35,332	26,499	75%	75%
FCP Exempt.	225	7,835	7,835	100%	100%
FCP	<u>210</u>	<u>236,844</u>	<u>177,633</u>	<u>75%</u>	<u>75%</u>
Totals	1,157	\$1,336,164	\$1,121,920	86%	86%

**Table 3
Current Estimated Cost Recovery
For FY 03**

<u>Application Type</u>	<u># of Applic.</u>	<u>Estimated Labor Costs FY 03 Rates</u>	<u>Estimated Fee Revenue</u>	<u>Estimated Cost Recovery</u>	<u>Interim Cost Recovery Goal</u>
Subdivisions	196	\$368,400	\$332,040	90%	85%
Site Plans	71	297,000	344,160	116%	85%
Project Plans	6	45,000	52,052	116%	85%
Record Plats	355	150,418	158,625	105%	100%
NRI/FSD	134	30,000	24,344	81%	75%
FCP Exempt	202	7,070	5,285	75%	100%
FCP	<u>106</u>	<u>196,000</u>	<u>104,000</u>	<u>53%</u>	<u>75%</u>
Totals	1,070	\$1,093,888	\$1,020,506	90%	86%

JRD:CC

Feesmemo03

Type of Application	Current Fee Schedule	Proposed Fee Schedule
Pre-Application Submission		
Staff review only	\$525	\$620
Staff and Planning Board Review	\$785	\$925
NRI/FSD		
Single-Family Residential	\$125	\$350 all NRI/FSD Plans
Multi-Family, Commercial, Industrial, Institutional, Religious	\$250	
FCP Exemption Requests	\$35	\$50
NRI/FSD Recertification Requests	0	\$200
Forest Conservation Plan		
Single-Family Residential	\$75 plus \$30/lot x # of lots	\$200 plus \$80/lot x # of lots
Multi-Family, Commercial, Industrial, Institutional, Religious	\$150 plus \$45/acre x # of acres	\$405 plus \$120/acre x # of acres
Preliminary Plan of Subdivision		
<u>Residential</u>		
1 – 9 units	\$1,300	\$1,535
10 – 49 units	\$2,620	\$3,090
50 or more units	\$3,900 plus \$26 x # of units > 50 units	\$4,600 plus \$30 x # of units > 50 units
<u>Commercial/Industrial</u>		
up to 9,999 s.f.	\$1,963	\$2,315
10,000 to 24,999 s.f.	\$2,618	\$3,090
25,000 s.f. or more	\$3,900 plus \$0.02 x s.f. > 25,000 s.f.	\$4,600 plus \$0.03 x s.f. > 25,000 s.f.
<u>Institutional/Religious</u>	\$1,300	\$1,535
Amendments to Approved Plans	same as preliminary plan	Same
Extensions to Approved Plans	\$785	\$925
Subdivision Regulation Waiver Request	\$785	\$925
Project Plan		
<u>Residential</u> (D.U.s)	\$2,280 plus \$22 x # of dwelling units	\$2,460 plus \$24 x # of dwelling units
<u>Commercial</u> (GFA)	\$2,280 plus \$0.02 x s.f.	\$2,460 plus \$0.02 x s.f.
Amendments	same as Project Plan	Same
Extensions	\$805	\$870
Sign deposit	\$70 per sign (\$60 sign refund)	Same
Site Plan		
<u>Residential</u>		
1 – 9 units	\$2,600	\$2,675
10 or more units	\$3,900 plus \$26 x # of units > 10 units	\$4,020 plus \$27 x # of units > 10 units
<u>Commercial/Industrial</u>		
up to 9,999 s.f.	\$2,600	\$2,675
10,000 s.f. or more	\$3,900 plus \$0.02 x s.f. > 10,000 s.f.	\$4,020 plus \$0.02 x s.f. > 10,000 s.f.
<u>Institutional/Religious</u>	\$2600	\$2,675
Amendments to Approved Plans	same as Site Plan	Same
Record Plat	\$675 x # of plats	Same

Publications Reprinted in FY 2003
07/01/02 to 06/30/03

Publication Name	Order Amt.	Job Cost	Print Cost Per Item	Purchase Order Date	Sale Price	% of Cost Recovery
Boyd's Master Plan	250	\$1,835.00	\$7.34	10/17/2002	\$5.00	68.12%
Olney Master Plan Map	250	\$1,850.00	\$7.40	8/7/2002	\$3.00	40.54%
Upper Rock Creek Master Plan Map	100	\$850.00	\$8.50	8/7/2002	\$3.00	35.29%
Damascus Master Plan Map	100	\$900.00	\$9.00	7/8/2002	\$3.00	33.33%
Patuxent River Functional MP	100	\$1,615.00	\$16.15	11/25/2002	\$5.00	30.96%
Germantown Master Plan Map	500	\$1,895.00	\$3.79	11/26/2002	\$3.00	79.16%
Gaithersburg Master Plan Map	530	\$1,895.00	\$3.58	2/6/2003	\$3.00	83.80%
Clarksburg Technical Appendix	250	\$2,850.00	\$11.40	3/17/2003	\$5.00	43.86%
Bethesda CBD Master plan	225	\$4,995.00	\$22.20			