



To: President Mellon and Member of Town Council

From: Dustin Anderson, Town Manager
Tom Vander Woude, Planning Director

Date: October 14, 2020

Re: Proposed Planning, Zoning, and Engineering Fee revisions

CC: Wendy Mis, Clerk-Treasurer
Tricia Abbott, Controller
Chuck Collins, Chief Building Inspector

In the goal-setting conversations Council has recently had, there was a desire to move the “Financial Stability” goal of “Identify New Sources of Revenue” from “Complete” to “On Going” – specifically asking staff to look at various fees we charge for services.

There was no easily identifiable record to confirm when these fees were last revised. In conversations with the prior administration, to the best of their recollection it has been at least ten years since any changes were made to any fee in the Community Development Department.

Our current fees do not reflect the time and effort devoted to ensuring the Town receives the high-quality deliverables our community expects.

Background: Community Development staff recently conducted a review of the planning, zoning, and engineering fee schedule to determine whether the application fees we charge are consistent with our Department’s costs. Staff made the following findings:

- We charge one fee at the time of application and do not have a mechanism to charge additional fees if the application requires multiple and, sometimes costly, legal reviews.
- The fees we charge for any given application are significantly less than the costs of our engineering review services or our legal services. Rather than pass these costs on to the individual applicant, they are absorbed by the Town and are therefore paid for by all taxpayers.
- Our fees do not accurately reflect the variety of applications that we receive. We identified 16 different application types, but only 6 different types of fees.
- There is no fee for engineering inspections, which take place after a building permit is paid for, so the Town’s cost for these inspections is not recouped.

To address these issues, we worked with Town Engineer SEH of Indiana to identify and commit to various engineering costs. We also developed estimates of the legal fees that would be charged per application type based on number of meetings, reviews, and whether any documents are prepared by legal counsel (e.g. findings of fact). We added these fees together as the base fee. A 15% multiplier to defray staff costs was applied to planning and zoning fees. Engineering inspection fees are an estimated a pass-through of the consultant costs.

The proposed planning and zoning fees are substantially higher than the current fees. This is because the Department is currently subsidizing applications by absorbing all consultant costs. Staff recommends that these costs be passed on to the applicant.

Pre-application meetings and site plan review committee reviews will continue to be offered as a service at no cost.

The proposed fees are shown in the attached redlined excerpt from Schedule A, which has been modified to show only the proposed fee changes.

At the request of the Town Council, staff reached out to adjacent communities in Lake County and communities in Central Indiana for a list of their fees. A comparison table is included as an attachment to the memo. Given the various ways that different communities break down and calculate their fees, though, it is difficult to provide a clear comparison.

The examples below show how the existing and proposed fees would be calculated for two actual past projects in Munster and compares them to similar communities.

Fairway Addition - 25 lot single-family residential subdivision

Acres: 10.2
Cost of site improvements \$ 682,700

	Current Munster	Dyer	St. John	Highland	Hobart*	Noblesville	Carmel	Proposed Munster
Site Plan Review	\$ -		\$ -	\$ -	\$ 150	\$ 1,325	\$ 371	\$ -
Preliminary Plat	\$ 600	\$ 9,750	\$ 5,000	\$ 505	\$ 360	\$ 1,675	\$ 4,803	\$ 3,205
Final Plat	\$ 600		\$ 8,654	\$ -		\$ 1,325	\$ 4,803	\$ 775
Total	\$ 1,200	\$ 9,750	\$ 13,654	\$ 505	\$ 510	\$ 4,325	\$ 9,977	\$ 3,980

*City of Hobart direct bills legal, engineering, and planning time through a reimbursement agreement.

North Point Orthopedics building - redevelopment of commercial lot with 23,334 SF medical building

Number of variances: 6
Acres: 3

	Current Munster	Dyer	St. John	Highland	Hobart*	Noblesville	Carmel	Proposed Munster
Site Plan Review	\$ -		\$ -	\$ -	\$ 50	\$ 1,325	\$ 371	\$ -
Variance fees	\$ 300	\$ 200	\$ 75	\$ 200	\$ 100	\$ 850	\$ 4,801	\$ 805
Development Plan Approval	\$ 350	\$ 1,000	\$ 1,500	\$ 250			\$ 1,569	\$ 2,330
Total	\$ 650	\$ 1,200	\$ 1,575	\$ 450	\$ 150	\$ 2,175	\$ 6,741	\$ 3,135

*City of Hobart direct bills legal, engineering, and planning time through a reimbursement agreement.

Our general conclusion is that our proposed fees will be higher than some of our neighboring communities, e.g. Hobart, Highland, but on the level of others, e.g. St. John, Dyer, Carmel, Noblesville. It is of note also that Hobart requires a developer to enter into a reimbursement agreement, which is used to recoup all legal, planning, and engineering costs and which is not reflected in the base fee. Therefore, it is likely their fees are materially similar to our proposed fees.

Recommendation to Town Council: By motion and roll call vote, adopt Ordinance 1807 on second reading.

Attachments:

1. Ordinance No. 1807
2. Exhibit A: Proposed fee revisions
3. Planning and Zoning Fee Comparison Table