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CITY of NOVI CITY COUNCIL

Agenda Item 5
March 22, 2010

SUBJECT: Approval of a Resolution to Adopt Fees for Site Plan extensions, Renewal of Expired Permits, Preparation of Completion Agreements under Chapter 26.5 and to update the referenced Construction Valuation Schedule.

SUBMITTING DEPARTMENT: Community Development *WN*

CITY MANAGER APPROVAL: 

BACKGROUND INFORMATION:

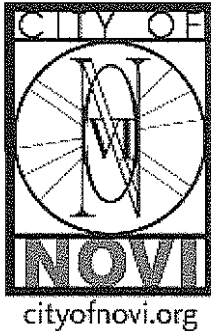
Ongoing review of Community Development Department operations as well as the recent initiative to closeout expired permits has revealed several activities requiring significant use of staff resources and time without corresponding fees. Staff and expenses have been reduced significantly over the last 2 years and all processes and positions will continue to be scrutinized for future cost saving opportunities. Changes in economic conditions and initiatives have resulting in a shift in needs for service. As the needs in certain areas increase and take a larger portion of resources it is appropriate that the City recover costs as outlined in the attached resolution and memo forwarded to City Council previously.

RECOMMENDED ACTION: Approval of a Resolution to Adopt Fees for Site Plan extensions, Renewal of Expired Permits, Preparation of Completion Agreements under Chapter 26.5 and to update the referenced Construction Valuation Schedule.

	1	2	Y	N
Mayor Landry				
Mayor Pro Tem Gatt				
Council Member Crawford				
Council Member Fischer				

	1	2	Y	N
Council Member Margolis				
Council Member Mutch				
Council Member Staudt				

MEMORANDUM



TO: Clay Pearson, City Manager

FROM: Charles Boulard, Community Development Director *CB*

SUBJECT: Supplemental information: Community Development Proposed Fee Resolution

DATE: March 17, 2010

In an effort to be proactive and maintain the best possible communication with the development community, over the last week I have made an effort to reach out to a number of companies throughout the City to make them aware of the proposed fee resolution. These include:

Pam Garlow - Taubman/12 Oaks Mall
Sam Ashley and Bart Roeser – Cunningham Limp
Ron Nuechterlein – Superior Diversified Services
Joe Drolshagen – Northern Equities
Gary Jonna – Whitehall Real Estate
Richard Abbott – Providence Hospital
Ryan Dembs – Amson Dembs
Frank Jonna – Jonna Companies

While I did not receive response to the last (2) calls, I spoke with all the other individuals listed above personally and apprised them of the proposed fees as well as the reasoning behind the request. In all cases, the communication was appreciated, and the basis for the fees understood. Joe Drolshagen essentially indicated that Northern Equities was never in favor of paying any more than they had to, but he understood the situation.

With regard to the proposed use of the ICC Construction Valuation Table, Andy Gerecke contacted a number of nearby communities to provide a comparison for our request to assign values at 95% of the tabular amounts. These communities are utilizing the ICC table as follows:

West Bloomfield	100% of tabular values
Rochester Hills	100% of tabular values
Southfield	82% of tabular values
Waterford Twp.	100% of tabular values
Wixom	100% of tabular values
Shelby Twp.	100% of tabular values

To reiterate, the tabular values provide a base cost value per square foot for structures differentiated by use and construction type. These values are used as the basis for calculation of Building Permit and Plan Review fees only and do not set assessments.

Please let me know if I can provide additional information.

CITY OF NOVI

**OAKLAND COUNTY, MICHIGAN
RESOLUTION TO ADOPT FEES FOR SITE PLAN EXTENSIONS, RENEWAL OF
EXPIRED PERMITS, PREPARATION OF COMPLETION AGREEMENTS UNDER 26.5
AND UPDATE REFERENCED CONSTRUCTION VALUATION SCHEDULE**

WHEREAS, The Novi Community Development Department is charged to maintain and nurture the quality of the natural and built environment that makes up the community; and

WHEREAS, The Community Development Department provides Planning, Development and Construction reviews and inspections to assure the quality of development in the present and future City as articulated in the goals and actions of our residents, expressed through the City Council and Planning Commission; and

WHEREAS the fees for acts and services performed by the City in carrying out its duties under State statutes and local Ordinances are set by resolution of City Council of the City of Novi; and

WHEREAS, the City sees significant expense related to providing services for Extension of Approved Site Plans, Tracking of Expired Permits and Preparation of Development Project completion agreements under Ordinance 26.5; and

WHEREAS, a current construction valuation schedule is needed to accurately and fairly calculate Building Permit and review fees; and

WHEREAS, the City Council has reviewed the following schedule of fees and determined that the amounts provided therein are reasonable fees for the designated purposes.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Novi shall, and hereby does adopt the following schedule of fees and revise reference for construction valuations effective as of May 1, 2010

- | | | |
|----|---|----------|
| 1. | Site Plan extension fee
(payable upon submission of request for extension) | \$150.00 |
| 2. | Renewal fee for expired Building, Electrical, Plumbing
and Mechanical Permits requiring inspection for close out | \$50.00 |
| 3. | Administrative fee for Completion Agreements required
under Chapter 26.5 (per phase) | \$950.00 |

4. Building Construction valuations for calculation of permit and review fees shall be 95% of value specified in the current version of the Building Valuation Data table published by the International Code Council (ICC).

CERTIFICATION

I, Maryanne Cornelius, duly appointed Clerk of the City of Novi, do hereby certify that the foregoing is a true and complete copy of a Resolution adopted by the City Council of the City of Novi at a Regular Meeting held this day, March 22, 2010

Maryanne Cornelius
City Clerk

MEMORANDUM



TO: Clay Pearson, City Manager
FROM: Charles Boulard, Community Development Director *UM*
SUBJECT: Proposed Revenue Enhancement Resolution
DATE: March 10, 2010

3/11/10
To: Mayor & City Council Members
For future action.
[Signature]

Ongoing review of Community Development Department operations as well as the recent initiative to closeout expired permits has revealed several activities requiring significant use of staff resources and time without corresponding fees.

Selected communities have responded to the current economic conditions by requesting across the board fee increases for services to address declining revenues. I do not believe such action is either appropriate or responsible to our residents and business owners at this time. Instead, under your guidance, staff and expenses have been reduced significantly over the last 2 years and all processes and positions will continue to be scrutinized for future cost saving opportunities.

That said, the economic conditions and initiatives have resulting in a shift in needs for service. As the needs in certain areas increase and take a larger portion of resources it is appropriate that the City recover costs as follows:

Site Plan Extensions:

As the pace of development slows, many projects with approved Site Plans are taking years as opposed to weeks or months to get underway. The approval of these projects typically extends (2) years with up to (3) single year extensions. Community Development staff monitor the expiration of these approvals and provide notice to allow developers to allow timely requests for extensions. As these approvals are the result of a great deal of effort and expense on the part of developer and may increase the value of a property it is usually advantages for developers to seek an extension. This can be true even in the case of bank ownership following foreclosure. In the last year 21 such requests have been processed taking an average of (4) hours of staff time.

Suggested Fee \$150.00 per Site Plan Extension

Renewal Fee for Expired Permits:

In late summer/early fall of last year (2009), we began an initiative to follow up on and close out expired Building and Trade Permits. Permits expire 6 months after issuance or last inspection, whichever comes later. While contractors and/or property owners are responsible for scheduling the necessary inspections and providing access to allow closeout of permits, many lapse for one reason or another. In many cases, staff are able to closeout expired permits without expending a great deal of resources (i.e., contact the contractor and verify the project was cancelled, etc). In other cases, particularly where outstanding inspections or corrections are required, it is appropriate that a base permit renewal fee be charged for reopening or renewing the permit including minimal necessary inspections. Resolution of typical expired permits requiring inspection average just over 1.5 hours of staff time.

Suggested Fee \$50.00 per expired permit

