



Agenda Item Summary

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Submitted By

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Reviewed By

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Agenda Item Title

First Reading of an Ordinance Establishing the Annual Building and Construction Permit Fees and Zoning Application Fees of the Village of Oak Park

Overview

A comprehensive review of the Building Construction Permit Fee and Zoning Application Fee Schedule has been completed, resulting in the recommended updating to the Village Code to establish a new schedule that reflects the current cost of providing services.

Staff Recommendation

First Reading

Fiscal Impact

The Building Construction Permit Fees and Zoning Application Fee Schedule has been revised to reflect the cost of providing services and should, therefore, result in a revenue neutral state for the Permit Processing Division's annual budget.

Background

In April 2015, the Village Board approved a new fee schedule that streamlined the establishment of permit fees. The permit fee schedule is based on the premise that the fees should reflect the actual cost of providing services to the public. The fees were established utilizing a pro rata share for larger projects and a fixed fee for certain types of smaller permits .

First, fees for larger construction projects are established based on the Building Validation Data ("BVD") published by the International Code Council ("ICC") and adopted by the Village Board on an annual basis. The BVD is a square foot cost based on the national average of construction cost for projects of different construction types and provides a simplified method to determine the estimated value of a building that does not rely on the permit applicant to determine the cost of construction. The use of the ICC data provides for a fair assessment of construction valuation that is not affected by a bidding process.

The BVD is multiplied by the project square footage and then by a Permit Fee Multiplier which is established by dividing the Permit Processing Division annual budget for the previous year by the total annual construction value (averaged across the past four years). Averaging the construction valuation across multiple years helps to

reduce the influence of spikes or downturns in construction valuation for a given year. Thus, the permit fee reflects the given project's portion of the cost of the Division providing services prorated for the given project.

As part of this update, we are recommending that BVD is updated, while the Permit Fee Multiplier shall remain the same for 2018, and the established fixed fees shall remain unaltered. Additionally, we eliminated the multiple references to roofing and moved the work without a permit from the zoning part of the chart into administration.

Alternatives

The Village Board could request further analysis.

Previous Board Action

NA

Citizen Advisory Commission Action

NA

Anticipated Future Actions/Commitments

It is recommended that the fees be reviewed annually to reflect any fluctuation in the Permit Fee Multiplier or the Building Validation Data. These two items directly tie into determining the cost of providing our services to the public. The schedule may be easily revised to reflect the current cost of providing services by applying a percentage change factor to each line item.

Intergovernmental Cooperation Opportunities

NA

Performance Management (MAP) Alignment

A governance priority of the Development Customer Services Department is to improve Customer Service by ensuring that the permit issuance and plan review processes are streamlined in a consistent and customer-friendly manner.