



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 the Zoning Application Fees of the Village of Oak Park

Overview

An annual review of the Building Construction Permit Fee Schedule has been completed, resulting in the recommended updating to the Village Code to establish a new schedule which reflects the current cost of providing services.

Staff Recommendation

This is the 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, 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 which streamlined the established permit fees. The permit fee schedule is based on 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 annually by the Village Board of Trustees. The BVD is a square foot cost based on the national average of construction cost. It provides a simplified method to determine the estimated value of a building which does not rely on the permit applicant to determine the cost of construction. The use of the ICC data provides a fair assessment of construction valuation which is not affected by a bidding process.

The BVD is multiplied by the project square footage then by the Permit Fee Multiplier. The Permit Fee Multiplier is established by dividing the Permit Processing Division's 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 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.

In 2019, we recommend the BVD chart is updated, the New Construction Permit Fee Multiplier remain unchanged, an increase in the Remodeling Permit Fee Multiplier from .006 to .007, and slight adjustments to the established fixed fees.

Alternatives

The Village Board could request further analysis.

Previous Board Action

N/A

Citizen Advisory Commission Action

N/A

Anticipated Future Actions/Commitments

It is recommended the fees are reviewed annually to reflect any fluctuation in the ICC 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

N/A

Performance Management (MAP) Alignment

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