



THE CITY OF DAYTONA BEACH

Public Works Department

TO: James V. Chisholm, City Manager

FROM: Ron McLemore, Deputy City Manager/Operations

DATE: March 5, 2012

SUBJECT: **FEE RECOMMENDATIONS**

PURPOSE

This memorandum is needed to respond to your request for recommended changes to the City's schedule of fees.

PROPOSED RECOMMENDATION – SITE AND SUBDIVISION INSPECTION FEES

The Public Works Department is recommending the City Commission to consider amending Resolution 11-123, the City of Daytona Beach Fee Schedule providing site development inspection fees for all public and private improvement sites and subdivisions reviewed by the TRT as follows:

- 1) Non subdivision improvements 3.00% of the value of non subdivision improvements
- 2) Subdivision improvements 3.00% of the value of all subdivision improvements

For a comparison of existing and proposed fees, see Table I attached.

The fee will be collected at pre construction.

RATIONALE

- 1) This action will bring site inspection services in Daytona Beach in line with other cities and counties around the state and within the area.
- 2) Although other jurisdictions utilize varying formulas for this fee, the proposed fees are in line with other jurisdictions in our area.

For example, in Port Orange site inspection fees are 3.25% for site plans under 5 acres and 2.25% for site plans over 5 acres and 3.25% for subdivisions under 15 acres and 2.75% for subdivisions greater than 15 acres.

Ormond Beach, on the other hand, has a 1.5% inspection fee on the value of the first \$100,000 of site improvements, and 0.5% over \$100,000. Their subdivision rate is 2.25% of the total construction cost of site improvements.

The attached schedule of rates demonstrates fees falling within the range charged by Port Orange and Ormond Beach.

- 3) As with buildings, it is mandatory for the City to review construction documents for proposed development project to assure compliance with codes and generally accepted practices of sound engineering standards for public and private improvements.

- 4) As with buildings, a rigorous site improvements inspection program is necessary to ensure that both public and private site improvements are constructed in compliance with approved construction documents.
- 5) It is customary and industry standard for the cost of these inspection programs to be defrayed by inspection fees imposed upon developers and owners as opposed to general taxation.

REVENUE GENERATION

The proposed fee is structured to pay for the cost of the inspection program including a Site Inspection Engineer, Site Inspection Tech, Administration and Support.

These costs were calculated on the anticipated cost of providing this level of service for the level of demand anticipated over the next 3-5 years.

Based upon the cost of this service level, it is anticipated that the site improvements inspection fee will need to generate approximately \$200,000 annually for the next 3 to 5 years.

BENEFITS

This new fee structure will allow the City to improve the timeliness of inspections to the construction industry where timeliness is essential in controlling cost and minimizing construction delays.

It will also allow the City to improve the quality of inspections further enhancing the city ability to ensure that improvements on private property are constructed in accordance with approved plans and specifications.

INDUSTRY NOTIFICATION

This past summer, the City advised VCARD Director, Dave Castagnacci, of the City's intent to amend its fee structure.

On July 18, 2011, VCARD Director, Dave Castagnacci, notified its members who work in Daytona Beach of fee changes proposed by the City. According to Mr. Castagnacci, he did not receive any negative responses from the members.

On July 18, 2011, City Development Review Engineer, Ken Kruger, e-mailed Mr. Castagnacci offering to meet with him for further explanation of the proposed site inspection fee charges. Mr. Kruger did not receive any follow up request.

During this period of time, Mr. Kruger advised the engineering firms historically involved in the vast majority of site development projects in Daytona of the proposed fees. All firms acknowledged that the proposed inspection fees appeared to be reasonable and consistent with site inspection fees charged in other jurisdictions.

On March 2, 2012, VCARD Director, Dave Castagnacci, was once again advised by Public Works of the City review of fee schedules and impending discussion of amendments with the City Commission.

TABLE I

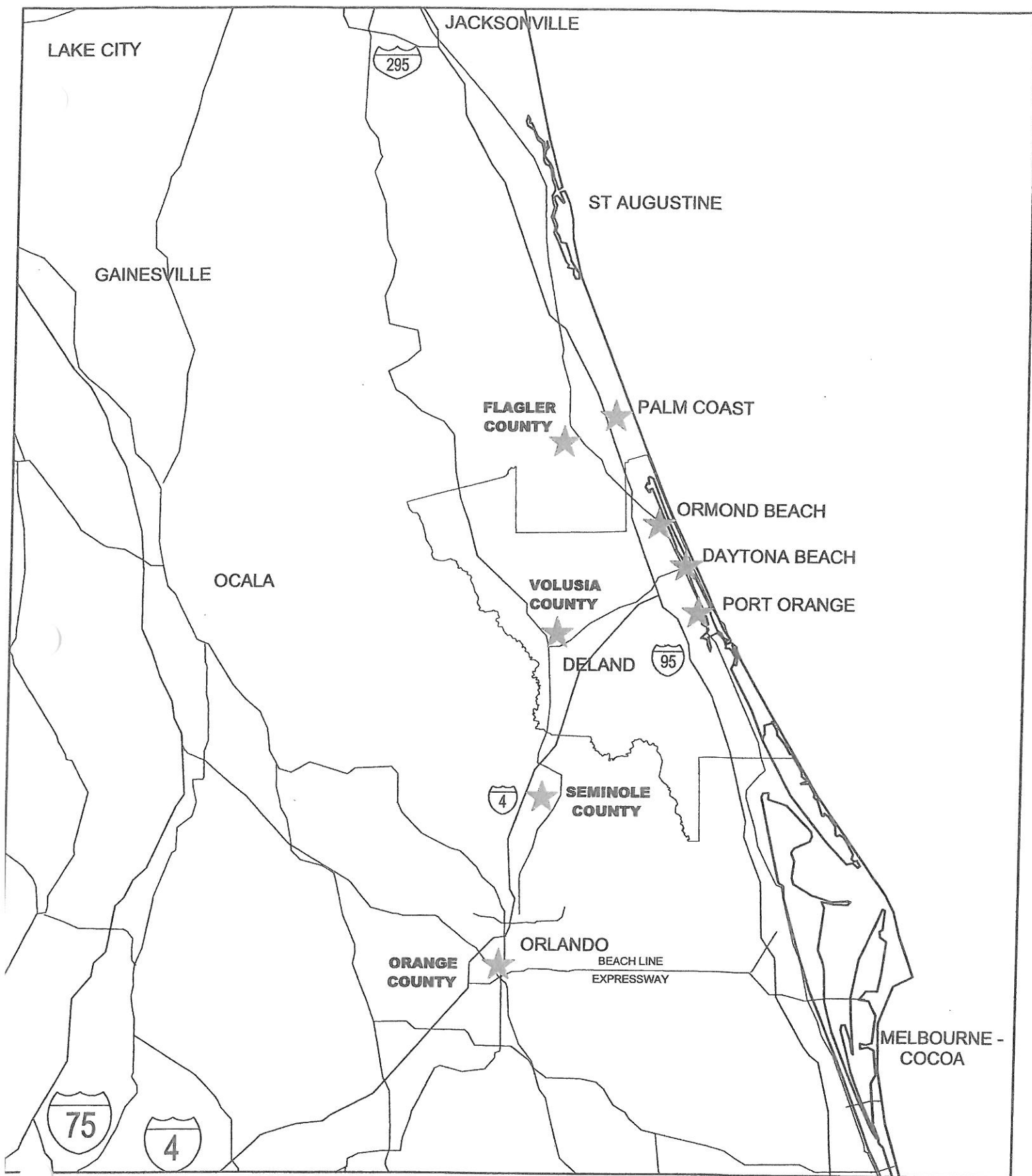
RESOLUTION 11-123
CITY OF DAYTONA BEACH
FEE SCHEDULE

<u>CURRENT CHARGES</u>		<u>REVISED CHARGES</u>
<u>NON-SUBDIVISION SITES</u>		
With buildings up to 20,000 sq. ft.	500.00 not collected	3.00%
With buildings over 20,000 sq. ft.	1,000.00 not collected	3.00%
Reinspection Fee	60.00 not collected	\$100 per occurrence
Site Inspection Permit	250.00 not collected	Included in 3%
Final Inspection	0	Included in 3%
Repeat Final	0	\$250 per occurrence
<u>SUB DIVISIONS</u>		
Public Improvements	2.25%	3.00%
Private Improvements	0	3.00%
Reinspection Fee	0	\$100
Final Inspection	0	Included in 3%
Repeat Final	0	\$250

LOCAL COMPARATIVE AGENCIES

INSPECTION FEES

SUMMARY and LIST



SITE INSPECTION FEES AGENCIES SURVEYED

**SITE INSPECTION FEES
AGENCIES SURVEYED**

<u>Govt Agency</u>	<u>Contact Person</u>		
Daytona Beach	Ken Kruger	DRE	(386) 671-8635
Port Orange	Mike Hill	Community Dev. Engineer	(386) 506-5660
Palm Coast	Juan Bostwick	DRE	(386) 986-4771
Ormond Beach	Shawn Finley	Staff Engineer	(386) 676-3269
Flagler County	Chuck Merenda	DRE	(386) 313-4082
Seminole County	Lee Shaffer		(407) 665-5762
Orange County	Lisette Egipciaco	DRC Coordinator	(407) 836-7856
Volusia County	Jay Preston	DRE	(386) 257-6000

INSPECTION FEES

SUMMARIZED BY JURISDICTION

Govt Agency	Contact Person	Inspection Fee Site Plan	Inspection Fee Subdivision	Date Last Changed	Working with Electronic Documents?	Notes:
Daytona Beach	Ken Kruger DRE	0.5% to 0.7% of construction costs	2.25%	2006	Yes	Assessed with Building permit - not based on certified cost estimate; No re-inspection fees; pre-construction meeting fees; document revision fees.
Port Orange	Mike Hill Community Dev. Engineer (386) 506-5660	3.25% of construction costs	3.25% of construction costs	2007	No	Plus re-inspection fees; fees for additional pre con meetings
Palm Coast	Juan Bostwick DRE (386) 986-4771	7%* of construction cost (\$1,100.00 base fee + \$3,255.00/acre)	7%* of construction cost (\$1,100.00 base fee + \$3,255.00/acre)	2009	Yes	* - equivalent conversion to % costs basis: \$ 3,255/ac / \$60,000 Dev. Cost/acre = 5.4 % + base fee = 7% ; Actual fees are base fee + \$3,255/acre plus fees for Roadways (@two lanes @ twelve feet wide @ \$1,325.00/mi + mechanical Stormwater improvements @ 1% of actual cost (They hired a consultant in end of 2007 to perform a comprehensive fee study based on actual hours effort per item); Plus reinspection fees
Ormond Beach	John Noble, City Engineer (386) 676-3269	1.5% of construction costs	2.25% of construction costs	2009	starting	Minimum \$ 250; with 1.5% of first \$100k and 0.5% additional over \$100k + reinspections + misc. fees
Flagler County	Chuck Merenda DRE 386-313-4082	1.5 %* of construction cost (\$ 500 Base fee + \$ 150 / acre \$2,000/mile of roads)	1.5 %* of construction cost + \$ (\$ 500 Base fee + \$ 150 / acre \$2,000/mile of roads)	2008	No	* Plus Final Inspection fee (\$500) plus reinspection fees - equivalent % of construction cost estimated at \$ 50,000 / ac average development cost
Ormond Beach	John Noble, Acting City Engineer (386) 676-3269	1.5% of construction cost	2.25% of construction cost	2009	starting	minimum \$ 250; with 1.5% of first \$100k and 0.5% additional over \$100k + reinspection fees + misc. fees
Seminole County	Lee Shaffer 407-665-5762	1.44% of construction costs	2.06% of construction costs	2003	starting	2.25% for Water&Sewer inspections; + reinspections;
Orange County	Lisette Egipcio DRC Coordinator (407) 836-7856	2.4% of construction costs	2.4% of construction costs	2010	No	Receiving some project documents in electronic format, but no drawings accepted yet.
Volusia County	Jay Preston DRE (386) 257-6000	1% of construction costs see note	2% of construction costs see note		starting	Site Plans - 1% of 1st \$100k improvements, 1/4% for over; Subdivisions - 2% of 1st \$125k, 1% for over

**ESTIMATE OF INSPECTION COSTS
TO THE CITY OF DAYTONA BEACH
(SMALL / MEDIUM / LARGE PROJECT SIZES)**

ESTIMATE OF CITY COSTS	
LDC COMPLIANCE INSPECTIONS FOR:	SITE DEVELOPMENT PROJECTS and SUBDIVISION PROJECTS

No.	Work Item	SITE PLANS / SUBDIVISIONS:				SITE PLANS / SUBDIVISIONS:				Notes:
		2ac SMALL (typical) Hours	5-8 ac MEDIUM (typical) Hours	25-50 ac LARGE (typical) Hours	Rate	2ac SMALL (typical) Cost	5-8 ac MEDIUM (typical) Cost	25-50 ac LARGE (typical) Cost		
1	Pre Construction Meeting	1.5	1.5	2.0	\$160	\$240	\$240	\$320	1 PE and 1 PW Inspector	
2	Shop Drawings review and administration	0.5	1.0	3.0	\$60	\$30	\$60	\$180	1 PW inspector	
3	Pre construction site meeting	0.5	0.5	2.0	\$60	\$30	\$30	\$120	1 PW inspector	
4	Clearing and grubbing - pre constrution inspections	0.5	0.5	3.0	\$60	\$30	\$30	\$180	1 PW inspector	
5	Clearing - operation oversight	0.5	0.5	3.0	\$60	\$30	\$30	\$180	1 PW inspector	
6	Unsuitable materials - handling oversight	0.5	0.5	6.0	\$60	\$30	\$30	\$360	1 PW inspector	
7	Earthwork - lakes and ponds	0.5	0.5	5.0	\$60	\$30	\$30	\$300	1 PW inspector	
8	Earthwork, - ditches, swales, waterways, site oversight	1.0	2.0	6.0	\$60	\$60	\$120	\$360	1 PW inspector	
9	Earthwork - roadways and parking	1.0	2.0	10.0	\$60	\$60	\$120	\$600	1 PW inspector	
10	Subgrade - roadways and parking	1.0	2.0	15.0	\$60	\$60	\$120	\$900	1 PW inspector	
11	Base rock roadways and parking	1.5	4.0	25.0	\$60	\$90	\$240	\$1,500	1 PW inspector	
12	Curb - Pads & alignment verification	1.5	1.5	5.0	\$60	\$90	\$90	\$300	1 PW inspector	
13	Curb - Concrete pours	1.0	1.0	4.0	\$60	\$60	\$60	\$240	1 PW inspector	
14	Curb - Flow checks	0.5	0.5	2.0	\$60	\$30	\$30	\$120	1 PW inspector	
15	Paving / concrete surface installation	2.0	5.0	15.0	\$60	\$120	\$300	\$900	1 PW inspector	
16	Water Main and services - soils conditions inspection / review	0.5	1.0	6.0	\$60	\$30	\$60	\$360	1 PW inspector	
17	Water Main and services- shop drawing / delivered materials verification	0.5	1.0	2.0	\$60	\$30	\$60	\$120	1 PW inspector	
18	Water Main and services - installation methods verification	0.5	1.0	4.0	\$60	\$30	\$60	\$240	1 PW inspector	
19	Water Main and Service - testing /pigging	0.0	0.0	4.0	\$60	\$0	\$0	\$240	1 PW inspector	
20	Water Main and Service - testing /pressure & leakage	2.5	2.5	8.0	\$60	\$150	\$150	\$480	1 PW inspector	
20	Sewer gravity mains and services - soils conditions inspection / review	0.5	1.0	3.0	\$60	\$30	\$60	\$180	1 PW inspector	
21	Sewer gravity mains and services - shop drawing / delivered materials verification	0.5	0.5	2.0	\$60	\$30	\$30	\$120	1 PW inspector	
22	Sewer gravity mains and services - installation methods verification	1.0	2.0	10.0	\$60	\$60	\$120	\$600	1 PW inspector	
23	Sewer gravity mains and services - in place testing / lamping	1.0	2.5	12.0	\$60	\$60	\$150	\$720	1 PW inspector	
24	Sewer gravity mains and services -as built review & verification	1.5	2.0	6.0	\$60	\$90	\$120	\$360	1 PW inspector	
24	Sewer force mains - shop drawing / delivered materials verification	0.5	0.5	1.0	\$60	\$30	\$30	\$60	1 PW inspector	
24	Sewer force mains - soils conditions inspection / review	0.5	0.5	2.0	\$60	\$30	\$30	\$120	1 PW inspector	
25	Sewer force mains - installation methods verification	0.5	0.5	1.0	\$60	\$30	\$30	\$60	1 PW inspector	
26	Sewer force mains - in place testing / pressure and leakage	2.0	2.0	2.0	\$60	\$120	\$120	\$120	1 PW inspector	
24	Storm Pipe installation - soils conditions inspection / review	0.5	1.5	4.0	\$60	\$30	\$90	\$240	1 PW inspector	
25	Storm Pipe installation - shop drawing / delivered materials verification	0.5	1.0	4.0	\$60	\$30	\$60	\$240	1 PW inspector	
26	Storm Pipe installation - installation methods verification	2.0	4.0	16.0	\$60	\$120	\$240	\$960	1 PW inspector	
27	Storm Pipe installation - in place testing	1.0	2.0	8.0	\$60	\$60	\$120	\$480	1 PW inspector	
28	Storm Structures installation - soils conditions inspection / review	0.5	1.0	4.0	\$60	\$30	\$60	\$240	1 PW inspector	
29	Storm Structures installation - shop drawing / delivered materials verification	0.5	1.0	4.0	\$60	\$30	\$60	\$240	1 PW inspector	
30	Storm Structures installation - installation methods verification	0.5	1.5	16.0	\$60	\$30	\$90	\$960	1 PW inspector	
31	Storm Structures - in place testing	0.5	2.0	10.0	\$60	\$30	\$120	\$600	1 PW inspector	
32	Storm system pipe & structures - as built review & verification	1.5	2.0	6.0	\$60	\$90	\$120	\$360	1 PW inspector	
32	Discharge control structure - special parametric inspection	0.5	0.5	2.0	\$60	\$30	\$30	\$120	1 PW inspector	
33	Semi Final Inspection	2.0	4.0	20.0	\$60	\$120	\$240	\$1,200	1 PW Inspector	
34	Final Inspection	1.0	1.5	3.0	\$160	\$160	\$240	\$480	1 PE and 1 PW Inspector	
35	One Year maintenance bond release inspection	0.0	2.0	4.0	\$160	\$0	\$320	\$640	1 PE and 1 PW Inspector	
36	Weekly Site visits and coordination: Project site construction duration (weeks): (5 hrs per wk @ 'X' weeks @1 hr / inspection) :	8.0	12.0	48.0	\$60	\$2,400	\$3,600	\$14,400	1 PW Inspector	
37	Special Requests / changes during construction	2.0	8.0	12.0	\$160	\$320	\$1,280	\$1,920	1 PE and 1 PW Inspector	
39	Directional Drill and Jack and Bore Inspection	0.0	0.0	4.0	\$60	\$0	\$0	\$240	1 PW Inspector	
Sums:		79.0	132.0	526.0	hrs	\$5,190	\$9,220	\$33,660		

	SMALL	MEDIUM	LARGE
City Costs per project type :	\$5,190	\$9,220	\$33,420

Project Size :	2 ac	5 ac	25 ac
Estimate of Site Development Costs :	\$100,000	\$250,000	\$1,250,000
(based on average \$50k / site acre)			

Estimate of Site Inspection Fee :	\$3,000	\$7,500	\$37,500
(at 3.00% fee rate)			

PUBLIC WORKS DEPARTMENT			
ESTIMATED INSPECTION REVENUES FOR FY 2011/2012 CONSTRUCTION PROJECTS			
Non-Subdivision Site Work			
PROJECT NAME	Estimated	PROPOSED	Projected
	Constr. Cost	Rate	Revenues
ERAU New South Entry at CMB	\$ 2,500,000	3.0%	75,000
ERAU Technology Park - Phase 1	\$ 3,500,000	3.0%	105,000
ERAU Arts and Sciences Center	\$ 250,000	3.0%	7,500
KNOWN PROJECTS SUB-TOTAL	\$ 6,250,000		187,500
Anticipated TRT Site Projects	\$ 725,000	3.0%	\$ 21,750
Known and Anticipated Total	\$ 6,975,000		209,250