



COCHISE COUNTY  
**DEVELOPMENT SERVICES**  
*"Public Programs...Personal Service"*

**MEMORANDUM**

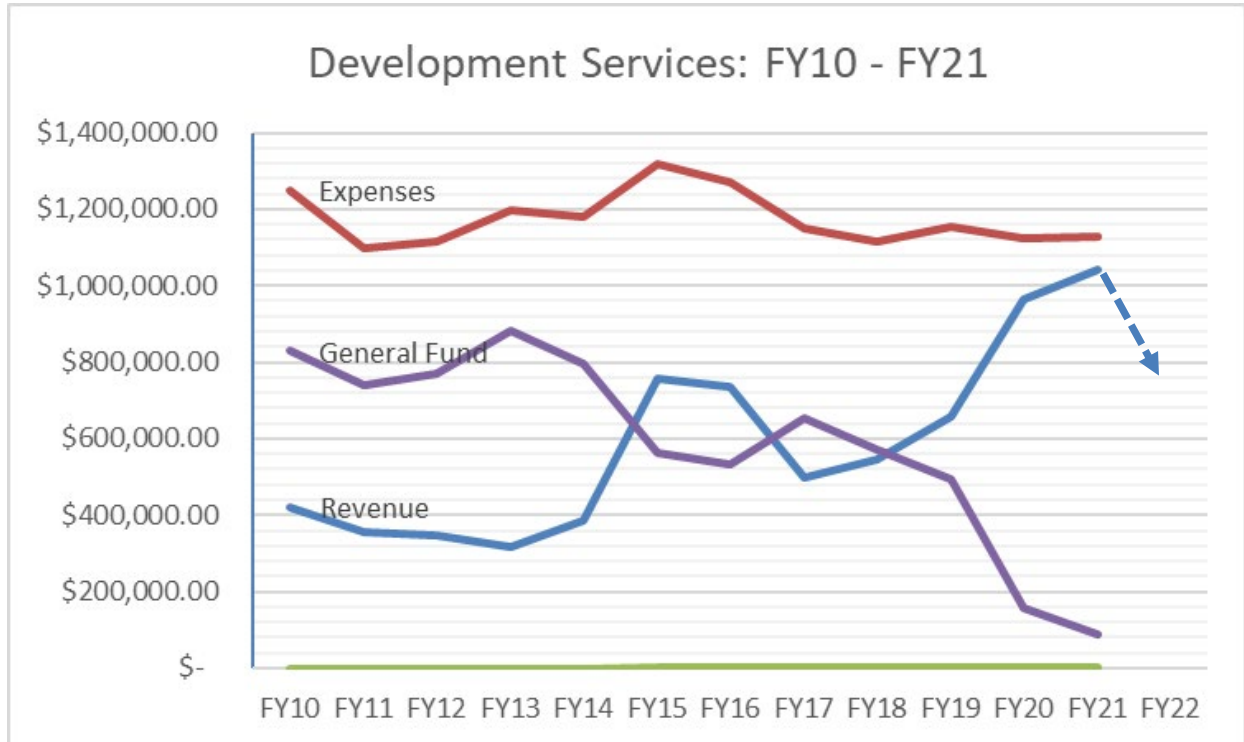
**TO:** Cochise County Board of Supervisors – Work Session  
**FROM:** Daniel Coxworth, Development Services Director  
**THRU:** Richard Karwaczka, County Administrator  
**SUBJECT:** Proposed Building Fee Schedule  
**DATE:** March 22, 2022

**Introduction and Background:**

The current Development Services Fee Schedule was last amended by the Board of Supervisors in October 2019. Therefore, periodically reviewing and adjusting the building permit fees is necessary to assess the degree of development of the building plan review and inspection services provided to the development community. Services include:

- Building Division services include building permit plan review and inspection services to ensure safe and sanitary housing in the county.
- Planning Division services include long and short-range planning to support the orderly growth of residential and commercial development.
- Code Compliance Division enforces the zoning regulations to encourage investment, protect property values, and keep our beautiful county clean.

The goal of the Department is to recoup 75% - 100% of the cost of the services mentioned above by charging appropriate fees for development. By recouping cost, subsidies from the county's general fund to the Department are minimalized.



The above graph illustrates the expenses of the Department compared to revenue and the effect of funding from the county's general fund.

The Department anticipates the current Fiscal Year (FY22) revenue to fall between 60 – 70%.

*Table 1: Residential and Non-Residential Permit Activity, FY21 and FY22 (July – Feb.)*

	# Issued	Permit Fees
<b>Total Non-Residential Permit - FY 2021</b>	<b>127</b>	<b>\$ 239,885.36</b>
<b>Total Non-Residential Permit - FY 2022 (July - Feb)</b>	<b>67</b>	<b>\$ 55,781.43</b>
<b>Total Residential Permit - FY - 2021</b>	<b>1650</b>	<b>\$ 701,268.15</b>
<b>Total Residential Permit - FY - 2022 (July - Feb)</b>	<b>655</b>	<b>\$ 428,952.88</b>

Raising permit fees is not the only means to achieve the goal of a 75% - 100% funded department by development. The past couple of years, the Department has utilized other means of minimizing the subsidy from the general fund to include:

- Decrease expenses:
  - o The Department implemented a new online permit application and processing system in 2020. As a result, all permits may be applied online without directly interface with a department employee.

- Result (2020) – Closed the Sierra Vista Development Services Office and reduced the number of full-time employees by three.
- Result (2021) – Increased efficiency in Code Compliance and reduced the number of code compliance full-time employees by one.
- Result – Reduced the cost of supplies (printing, paper, etc.).
- Result – Increased efficiency and reduced costs for customers and contractors who can apply for permits online from home or office and schedule inspections. Decreased staff time putting together daily inspection schedules from voice messages on the inspection phone line.
- Result – Allow online inspections or pictures to reduce travel expenses to remote parts of the county when appropriate.
- Hired part-time employees to support Department duties as the workloads increase or decrease or full-time staff vacations, sick leave, etc.
  - Result – Reduced Employee Related Expenses (ERE) (Benefits). The part-time employees we hired are retired professionals and do not want to work full-time or need the benefits of a full-time position.
  - Result – Employees are geo-based in areas of the county that allow them to cover inspections and reduce travel costs more efficiently.
- Increase Revenue
  - Supporting the Board’s Strategic Objective to Increased Intergovernmental Cooperation and Collaboration, the Department has Intergovernmental Agreements (IGA) with five of the seven incorporated cities in the county and the Arizona Department of Housing to provide Planning Services and/or Building Plan Review and Inspection Services. Currently, the Department is most active with the City of Benson and Willcox.
    - Result – Excess capacity of Department staff supports growth. It increases the Department’s revenue while providing access to the county’s professional staff by cities, reducing the City’s cost and increasing the Department’s revenue.
    - Result – Increased morale and work productivity by providing various work for the staff.

**Recommendations for Discussion:**

Reviewing the current fee schedule and discussing with staff the permit process, the Department is requesting the increase of the following fees:

1. **Rural Residential Owner/Building Permit, No Inspection – No Plan Review Option (opt-out)**

- An increase from \$157 to \$350. Includes a single-family home and one accessory structure.
- An increase from \$325 to \$850 for the Limited Inspection and Plan Review Option.

**Justification:** The upfront processing and issuance of opt-out permits are often more time-consuming than processing a typical permit for a single-family residential home. The opt-out is specific to Cochise County and a unique permit in Arizona, which generates a large volume of inquiries and requests. The owner-builder applicant requires more “hand-holding” and follow-up communication to obtain the minimum submittal requirements of the permit in comparison to permits applied for by contractors. Although staff is proposing more than double the current permit fee, the fee is still substantially lower than a single-family residential (SFR) permit with full plan review and up to 15 or more inspections. Opt-out permits require two or more inspections, including setback, building final, and progress inspections. The county right-of-way and floodplain also require the review of opt-out permits. Opt-out permits are often the result of code violations of construction without a permit or used as a mechanism to apply for an inexpensive permit to live in an RV for an extended time without the intention of building a home. In summary, increasing the cost to \$350 will recoup the cost of staff time in processing, reviewing, and inspections of opt-out permits.

*Table 2: 2021 Single-Family Residential Family Permits*

<b>SFRs Total</b>	<b>275</b>	<b>\$417,293.88 (Total Fees)</b>	<b>Share of SFR Permits</b>	<b>Share of SFR Fees</b>
Opt-Out SFRs	118	\$19,214.45	42.91%	4.60%
Non Opt-Out SFRs	157	\$398,079.43	57.09%	95.40%

Note: A permit fee for an SFR is between 1%-2% of the building valuation.

55 of the 117 opt-out permits were issued between January – June 2021. Progress inspections conducted by staff in February 2022 resulted in 14 (26%) homes not started, 31 (56%) homes under construction, and 10 (18%) homes completed.

## **2. Temporary RV Permits**

- An increase from \$30 to \$75

**Justification:** A temporary RV Permit is required for the following:

- Temporary occupancy of one RV in conjunction with a permitted principal use up to six months in a calendar year with a required Temporary Use Permit; stays of 15- consecutive days or less do not require a permit.
- Temporary occupancy of RVs in conjunction with the construction of a residential or non-residential permitted principal use. Such occupancy shall be limited to the length of the building permit with a required Temporary Use Permit.

Increasing the fee for a temporary RV permit to \$75 is consistent with the current Temporary Use permit fee for all other temporary uses.

### **3. Multi-Use Plan**

- An increase from \$50 to 10% of the permit fee

**Justification:** A Multi-Use Plan (MUP) is a model building plan for a single-family home, most commonly used by a builder that reuses the plan to sell the same home on multiple lots. Most submittals of MUPs are in substantial conformance to the approved MUP, but not the same, thereby requiring a minor building plan review of the changes for conformance with building code. Increasing the fee to 10% of the permit will recoup the cost of reviewing MUPs.

### **4. Modification of a Special Use Permit**

- Clarify in the Fee Schedule that an administrative modification is \$150 and a modification of an existing Special Use that requires approval by the Planning & Zoning Commission is \$500 + \$20 an acre, the same as the current fee for a new Special Use Permit request.

**Justification:** The modification of an existing Special Use Permit that requires approval by the Planning & Zoning Commission essentially requires the same amount of work and resources as a new Special Use Permit request. Legal public notification requirements such as mailing to surrounding property owners, posting a legal ad in the paper, posting the property, staff analysis of the request, and presentation to the Planning & Zoning Commission are the same as a new request for a Special Use Permit.

### **5. Accessory Living Quarters**

- No current fee. Add a planning review fee of \$100 to the fee schedule, separate from the building permit fee.

**Justification:** Recent changes to the Zoning Regulations made it much easier to obtain a permit for an Accessory Living Quarters (ALQ) without public notification or a Special Use Permit.

### **6. Official Zoning Compliance Letter**

- No current fee. Add a planning review fee of \$50.

**Justification:** Review the application, research as necessary, correspondence with the applicant, and an official zoning compliance letter on County letterhead, primarily for commercial properties. Most zoning information is available online for all other zoning requests, and staff will continue to provide general information as requested over the phone or via email without a fee.

### **7. Agriculture Exemption Request**

- No current fee. Add a planning review fee of \$50

**Justification:** Review the application, research as necessary, correspondence with the applicant, and an official letter from staff.

### **8. Special Event Permit**

- No current fee. Add a planning review fee of \$150

**Justification:** Special events are activities on private property that invite the public. Events range in size and require notification and review by several County Departments and outside agencies before issuing a Special Event Permit.

### **9. Home Occupation Permit**

- No current fee. Add a planning review fee of \$25

**Justification:** Review the application, research as necessary, correspondence with the applicant, and a permit issued by staff.

### **10. Miscellaneous deletions**

- Miscellaneous deletions in the fee schedule result from either moving the fees to another approved fee schedule by the Board for another Department or general updates or changes due to permit processes, implementation of new technology, or simplifying the fee schedule.

### **Summary**

Staff will move forward after direction by the Board of Supervisors. The new fee schedule will be presented to the Board for approval within several weeks, with an effective date of July 1, 2022, or soon after that.

### **Attachments**

Proposed Fee Schedule with updated proposed changes.