

A photograph of a garden scene. In the foreground, there are numerous small white daisies with yellow centers. Behind them, there are tall, thin blue flowers. In the background, a white building with a textured wall is visible, partially obscured by trees and foliage. The overall scene is a lush garden setting.

City of Goodyear User Fee Update

June 14, 2021

Overview



- Approach and Methodology
- Fee Overview
- Comparisons
- Next Steps

Approach & Methodology



REPORT PAGE 4

- Last Full External Cost of Service study completed in 2009
 - Recommended 3-5 years
- Engaged MGT to perform the study (7/2019)
- Participation across all departments
- Bottom-Up Approach

Approach & Methodology



REPORT PAGE 4

- Primary goals of the study:
 - Define what it costs to provide fee-related services
 - Determine services where a fee should be collected
 - Detail service areas where fee adjustment warranted
 - Develop revenue projections w/full cost recovery

Bottom-Up Approach



REPORT PAGES 5-6

- Direct Costs
 - Identify all staff time spent on fee related activities or service
 - Calculate cost of staff time for each fee using productive hourly rates
- Indirect Costs / Overhead
 - Department and Administration
- Compare total calculated costs to the fees currently charged
 - Recovery rates (+ / -)
- Annualized costs and revenues
 - Per unit costs X estimated volume
- Develop recommended fee adjustments

Economic & Policy Considerations



REPORT PAGE 7

Type	Description	Recovery Target
Economic barriers	allows access to lower income users (i.e. swimming classes)	< 100%
Community benefit	provides a wider benefit to the community, as a whole (i.e. Special Events)	< 100%
Private benefit	user primarily benefits from the product or service (i.e. Improvement Districts)	100%
Service driver	who is receiving the service vs. the service driver (i.e. code enforcement)	< or > 100%
Demand	cost of services can create market driven changes in demand	
Competition	city services vs. neighboring community and private sector presence	
Incentives	cost of services can drive participation or community behaviors (i.e building permits, new business)	
Disincentives	discourages undesirable behavior (i.e. false alarms)	

Calculation / Recommendations



FINANCE

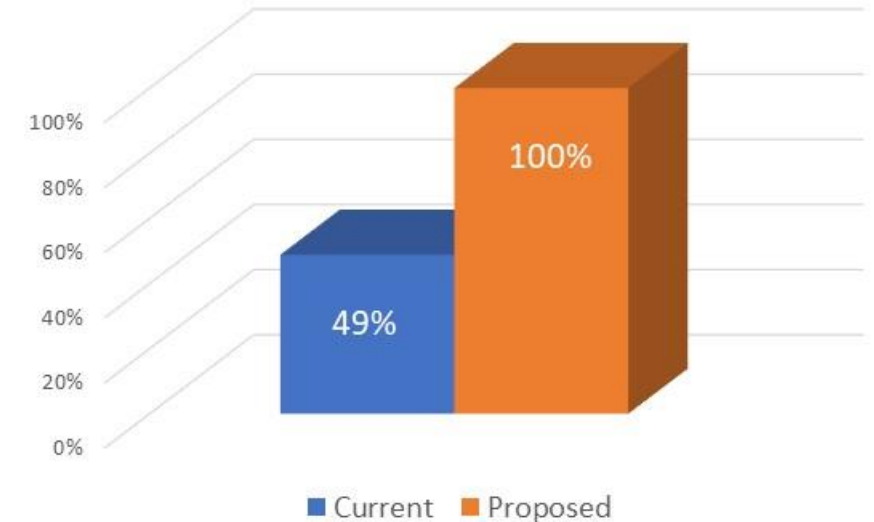
REPORT
PAGE 20

Ord	Service Name	Fee Description	Annual Volume	Current Fee	Full Cost	Current Recovery %	Annual Cost	Annual Revenue	Annual Subsidy	Recovery Level	Fee @ Policy Level	Annual Revenue2	Increased Revenue	Recommended Subsidy
1	Special Assessment Modification application	Per application	5	\$ 300	\$ 8,085	4%	\$ 40,424	\$ 1,500	\$ 38,924	99%	\$ 8,000	\$ 40,000	\$ 38,500	\$ 424
2	Special Assessment Modification Parcel Split	Remove	-	\$ 20	Dept recommends removing from schedule									
3	Special Assessment Modification Parcel Removal	Remove	-	\$ 5	Dept recommends removing from schedule									
4	Community Facilities District (CFD) Formation Non-Refundable Application fee	Non-refundable application fee plus \$60,000 deposit	1	\$ 15,000	\$ 26,575	56%	\$ 26,575	\$ 15,000	\$ 11,575	56%	\$ 15,000	\$ 15,000	\$ -	\$ 11,575
9	Non-Sufficient Funds (NSF) fee	Per check	-	\$ 50	\$ 33	154%	\$ -	\$ -	\$ -	154%	\$ 50	\$ -	\$ -	\$ -
10	Early Payoff of Assessment	Per transaction	75	\$ 200	\$ 218	92%	\$ 16,384	\$ 15,000	\$ 1,384	101%	\$ 220	\$ 16,500	\$ 1,500	\$ (116)
11	Annual Improvement District Assessment Billing Fee	Per parcel	3,000	\$ 23	\$ 19	119%	\$ 58,178	\$ 69,000	\$ (10,822)	100%	\$ 19	\$ 58,178	\$ (10,822)	\$ -
12	Business License (New)	Per license	480	\$ 75	\$ 78	96%	\$ 37,677	\$ 36,000	\$ 1,677	96%	\$ 75	\$ 36,000	\$ -	\$ 1,677

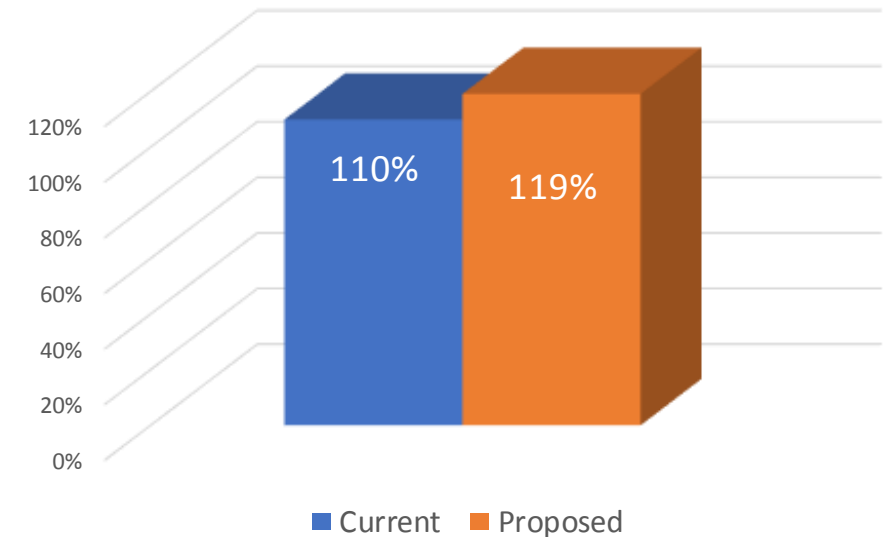
- Private Benefit
- Consolidation
- State Limitations

- Additional costs
- Disincentives

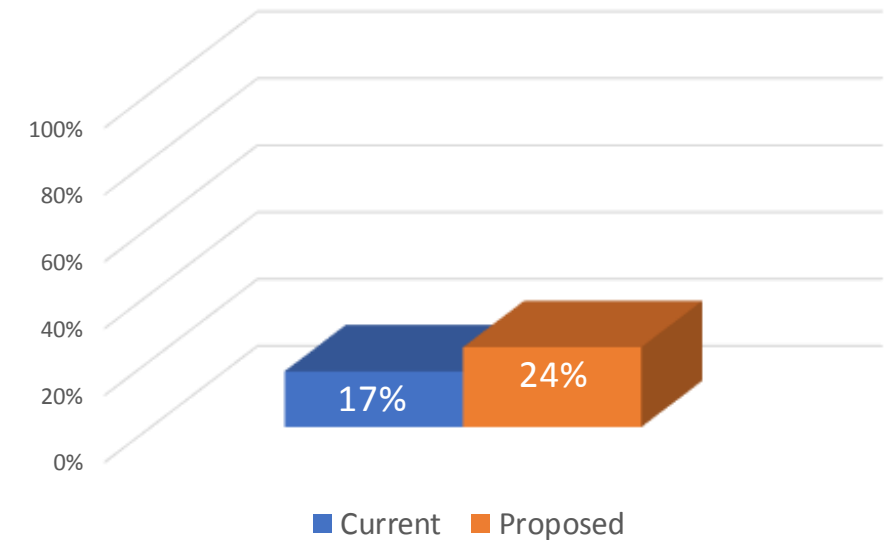
- Public Records Requests
- Increase per hour commercial public records request
- Remove unnecessary fees
- Proposed changes result in 100% recovery
- Annual Estimate: \$2,500



- Special Assessments
- Improvement Districts
- Business Licenses
- Remove unnecessary fees
- Proposed changes result in 119% recovery
- Annual Estimate: \$375,000



- Proposed recovery rates range from 1% to 100%
- New Fees added
 - Hourly rate for Officers and Sergeants
 - Body camera video
- Remove unnecessary fees
- Proposed changes result in 24% recovery
- Annual Estimate: \$198,700

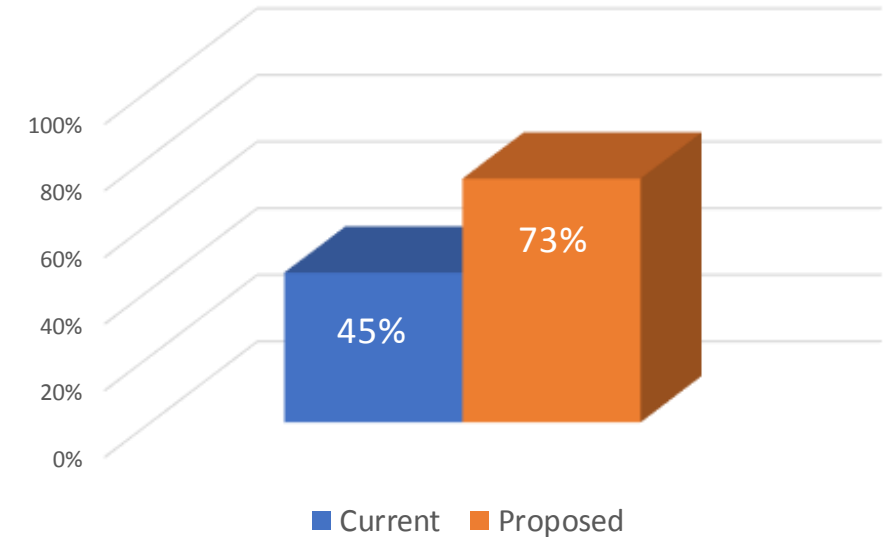


Public Works - Pretreatment Program



REPORT PAGES 12, 31

- Proposed recovery rates range from 50% to 100%
- New Proposed Fees
 - Pretreatment permitting for Type 2 & 3 Industrial Users
 - Special Permits – discharge from facility and from Publicly Owned Treatment Works
 - Industrial Users Sampling
- Proposed changes result in 73% recovery
- Annual Estimate: \$70,300



Development Related Fees



- Building Safety / Planning / Engineering
 - Partially Fire
 - Comparisons to other Valley cities
- Total recovery levels not estimated
 - Significant changes
 - High levels of growth
 - Dynamic types of growth

- Proposed recovery rates range from 37% to 441%
- New builds are inspected by Building Safety
- Fee modifications provide clarity and avoid redundancy
 - Thirty-seven (37) new fees are being recommended
 - Many are redefined fees for clarity
- False Alarm Fees

- No structural changes to fees
 - Main Intent is to Streamline
- Table 1 A (page 33 of report of findings) to align with project work efforts
 - Valuation Tiers 1 & 2 combined
 - Building Plan Check Fee
- By the numbers
 - 8 new fees proposed
 - 34 fees to be removed
 - All other fees have been reviewed and adjusted accordingly

- Structural changes
 - Cross Support included
 - Main intent is to Streamline
- By the numbers
 - 21 new fees proposed
 - 76 fees to be removed
 - Mainly restructured into new fees
 - All other fees have been reviewed and adjusted accordingly

- Structural changes
 - Cross Support included
 - Main intent is to Streamline
- By the numbers
 - 47 new fees proposed
 - 38 fees to be removed
 - Mainly restructured into new fees
 - 15 fees will change how they are charged
 - All other fees have been reviewed and adjusted accordingly

Project Examples



COST COMPARISON WITH OTHER CITIES

- Includes all Planning, Building and Engineering Fees
- Examples only
 - Projects will have Unique circumstances
- Competitiveness was not a component of recommended fees

Restaurant 4,000 sf (4 acres with 1 building)



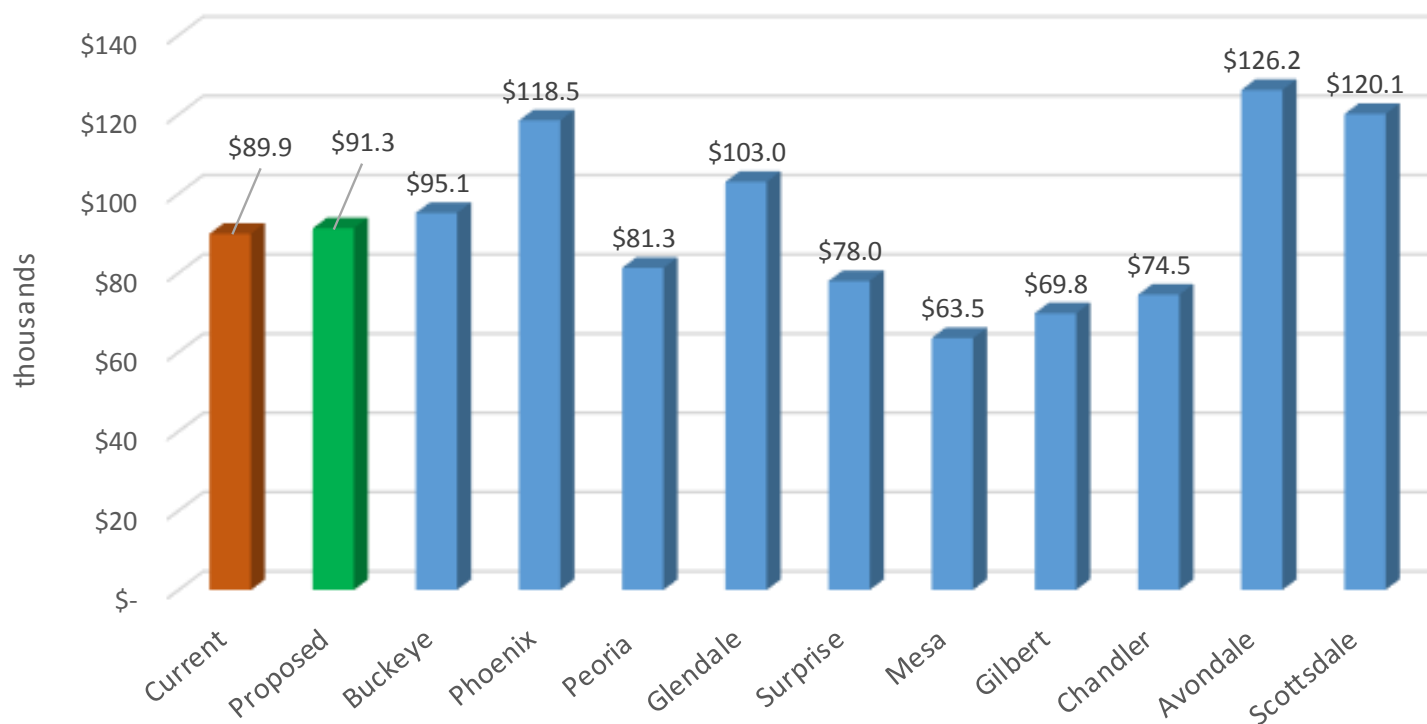
11.5% INCREASE



Residential subdivision 100 lots



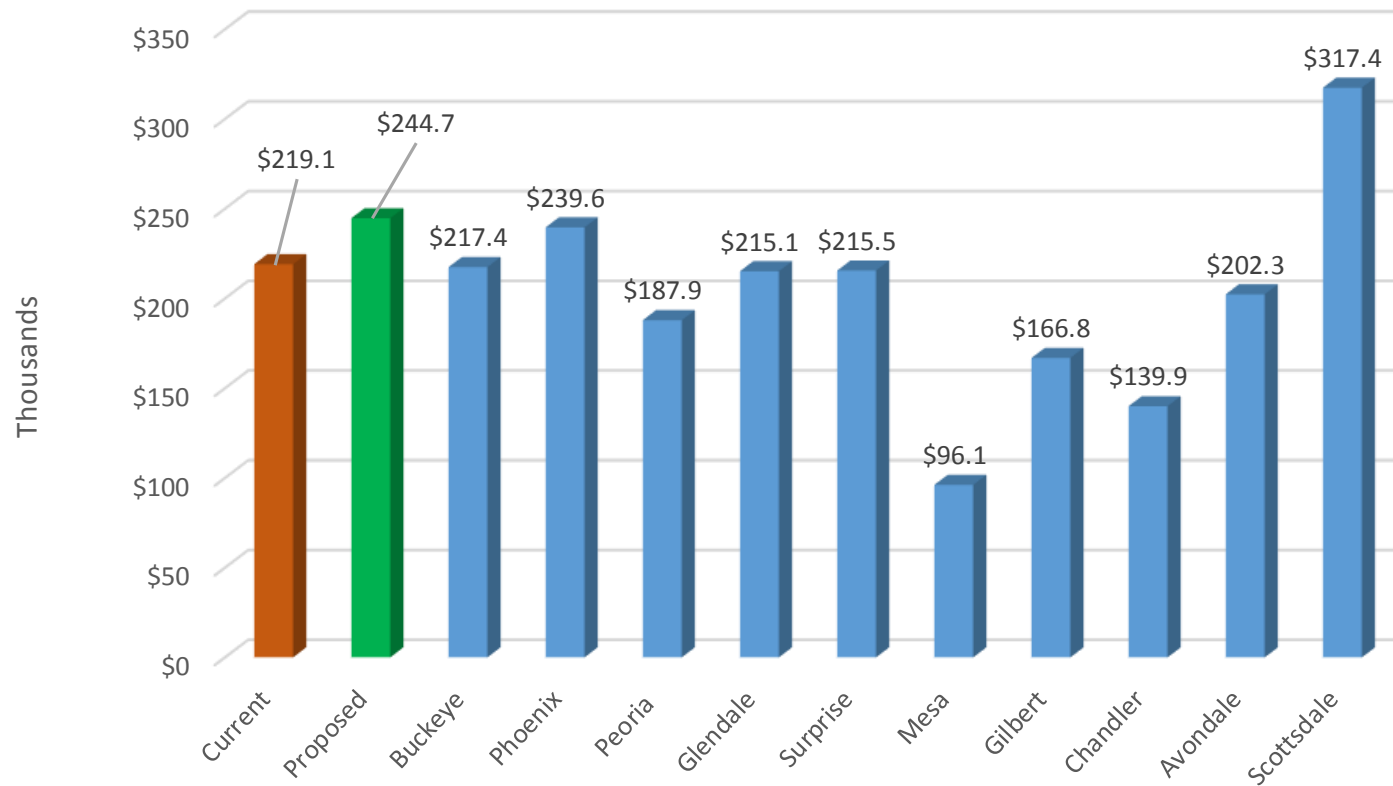
1.5% INCREASE



Industrial 200,000 sf (50 acres with 1 building)



11.7% INCREASE



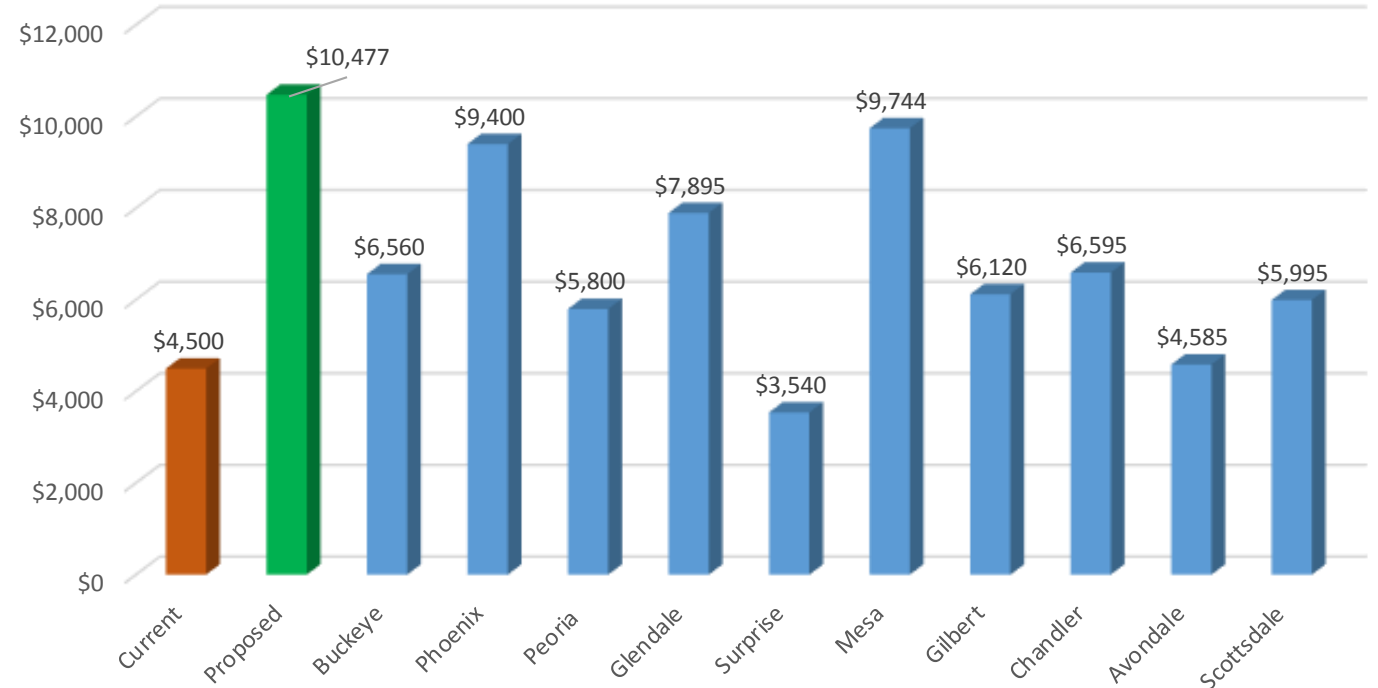
Planned Area Development (PAD)

40 acres



133% INCREASE

- Desire for less PAD's
- 100% Cost Recovery
- Alternative Available
 - Straight Zoning

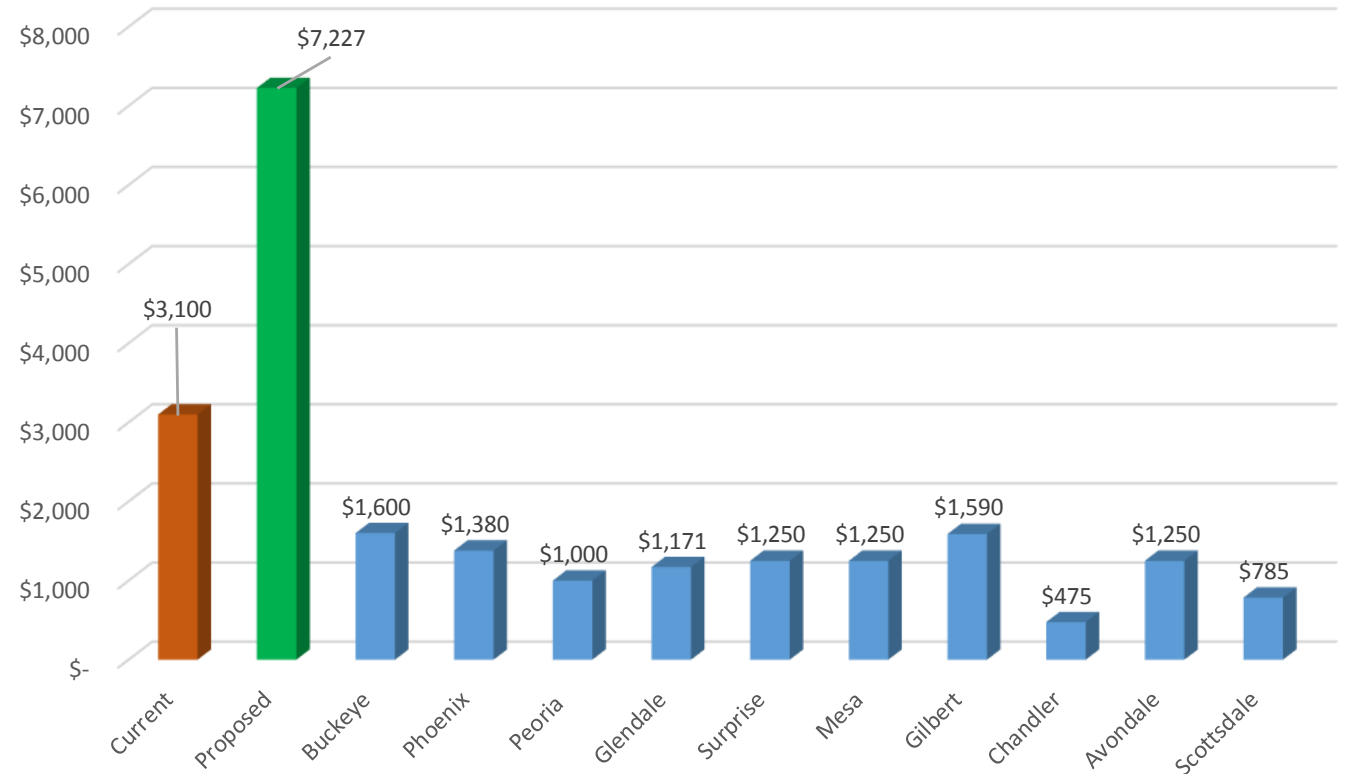


Use Permit – 2 acres



133% INCREASE

- 100% Cost Recovery
- Labor intensive process
- P&Z and Council
- Recommended Fee to decrease to \$6,027 to match Special Use Application



Implementation Steps



STAKEHOLDER OUTREACH

Date	Notice
<i>April 6</i>	<i>Initial Development Advisory Meeting</i>
<i>April 21</i>	<i>Statutorily Required 60 Day Website posting</i>
<i>April 23</i>	<i>Direct notice emailed to Development Advisory Forum</i>
<i>June 1</i>	<i>Development Advisory Forum</i>
June 14	Council Work Session
June 21	Public Hearing & Adoption
July 21	Implementation of Fees