

 <p>CITY OF ST. CHARLES ILLINOIS • 1834</p>	<b>AGENDA ITEM EXECUTIVE SUMMARY</b>		Agenda Item number: 4f
	Title:	<b>Recommendation to amend Title 15 “Buildings and Construction” and Title 18 “Stormwater Management Ordinance” to establish a Site Development/Stormwater Permit fee.</b>	
	Presenter:	<b>Russell Colby, Community Development Director</b>	
<b>Meeting:</b> Planning & Development Committee		<b>Date:</b> December 11, 2023	
<b>Proposed Cost:</b>		<b>Budgeted Amount:</b>	<b>Not Budgeted:</b> <input type="checkbox"/>
<b>TIF District:</b> None			
<b>Executive Summary</b> (if not budgeted, please explain):			
<u>Background</u>			
<p>Community Development issues <i>Site Development/Stormwater Permits</i> for construction of Land Improvements. <i>Land Improvements</i> under City Code includes both private site work such as site grading and drainage work, and installation of public infrastructure to be accepted by the City, including streets and utilities.</p> <p>Construction of land improvements requires a significant amount of oversight by the City to ensure that project sites are being appropriately managed and that improvements are being installed correctly, per plans. This includes oversight and documentation of daily conditions/activities, review of materials (specifications and condition), monitoring the placement of base materials, and observing installation of infrastructure, all before items are buried underground.</p> <p>Inspection fees are currently collected based on hourly billing rates for staff inspectors. Staff in Community Development and Finance spend a significant amount of effort tracking staff time, processing invoices and collecting payment. Often times, once a project is underway, both the timeliness of the billing and payments lag.</p> <p>More recently, for large projects, Community Development has tried outsourcing some inspection work to consultants that have availability to be at a site for extended periods during critical phases of the project. For these services, a deposit is provided by the developer, based on estimated hours.</p>			
<u>Proposal</u>			
Staff is proposing that we switch to a fee-based model for Site Development/Stormwater Permits.			
<p>Developers recently have provided feedback that having these fees set upfront is preferred for their budgeting and financing purposes. Some developers are familiar with systems of paying an upfront percentage of construction cost, which is a payment model used by a number of nearby municipalities to cover inspection services.</p> <p>In conjunction with this change to a fee-based model, Community Development would discontinue requiring developers to fund and provide a Resident Engineer on site. In practice, this has not been consistent or effective, and we have found this to be unreliable at protecting the City’s interests.</p>			

Instead, the developer fee would fund the City staff person or City consulting engineer to be on-site and act as an oversight engineer/inspector on behalf of the City. This will enable the City to provide more consistent oversight/inspection presence at project sites when there are multiple large projects occurring at the same time.

The table below provides examples of construction-cost percentage fee models:

<b>Municipality</b>	<b>Percentage</b>	<b>Type</b>
Aurora	2.25%	Fee
Batavia	2.00%	Fee
Elgin	3.00% (+0.5% increased as needed)	Deposit
<b><i>St. Charles – Proposed</i></b>	<b><i>2.50%</i></b>	<b><i>Fee</i></b>

Based on recent staff and consulting cost tracking, we estimate that the average cost of these services can be provided at a rate of 2.50% of the engineer’s estimate cost. This may be slightly higher or lower than actual cost depending on the project, but on average, City costs would be covered.

- A large subdivision with an Engineer’s Estimate of Probable Construction cost of \$4,000,000 would pay a permit fee of \$100,000.
- For a smaller project with \$250,000 construction cost, the permit fee would be \$6,250.

A fee based on construction cost is a similar model to how fees are collected for building permits.

**Attachments** (please list):

Code amendment draft

**Recommendation/Suggested Action** (briefly explain):

Recommendation to amend Title 15 “Buildings and Construction” and Title 18 “Stormwater Management Ordinance” to establish a Site Development/Stormwater Permit fee.

**15.101.150 – Permit and inspection fees**

B. Fee Schedule.

Permit Type	Fee
<b>Site Development / Stormwater Permit</b>	2.50% of the approved Engineer's Estimate of Proposed Construction (EOPC), due at permit issuance.

**18.04.010 – Stormwater Management Ordinance - Adopted - Modifications**

The provisions of the Kane County Stormwater Management Ordinance, originally adopted by the Kane County Board on November 14, 2000, effective January 1, 2002 and revised June 1, 2019, not less than three copies of which have been and now are filed in the Office of the Clerk of the City of St. Charles, Illinois, are hereby adopted in total, with the exception of the special regulations listed below which supplement and replace the concurrent sections of the Kane County Stormwater Management Ordinance as the regulations governing any activity that affects stormwater runoff or involves stormwater management. This Ordinance and the amendments noted hereafter shall become effective immediately.

Amendments to the Kane County Stormwater Management Ordinance.

A. Article II, 9-28.D is deleted in its entirety and the following inserted therefore:

~~“Permit Fees — Schedule.~~

~~The following schedule of fees is established for the filing and review of all Stormwater permit applications and the inspection of construction or maintenance activities related to required improvements:~~

- ~~1. Filing fee (payable when permit application is filed) fifty (\$50.00) dollars.~~
- ~~2. Reimbursement for professional services:
  - ~~1. Recording fees.~~
  - ~~2. Fees for attorney’s review and negotiations in connection with the filing, review and construction of the project.~~
  - ~~3. Fees for consultant’s review and consultation in connection with the filing, review and construction of the proposed work including meetings and~~~~

~~associated tasks. Consultants may include but are not to be limited to Engineers and Wetland specialists.~~

~~b. Reimbursement for City staff review: Cost per productive work hour of each City staff member involved in reviews, meetings, inspections or any associated task relative to a stormwater permit application. The applicant shall pay all fees within 30 days of invoice by the City subsequent to performance of said tasks. Any dispute of payment shall be sent in writing to the Administrator within 30 days of invoice by the City. Failure to respond within the 30 day period shall result in a default of permit obligation and allow the Administrator to revoke the permit."~~

### **"Fees for Site Development/Stormwater Permits**

#### **1. Review of Site Development/Stormwater Permits**

Reimbursement shall be provided, either through a Reimbursement of Fees Agreement under Title 17, or through direct payment for:

- a. City staff review at the cost per productive work hour of each City staff member involved in reviews, meetings, or any associated task relative to a stormwater permit application.
- b. Fees for consultant's review and consultation in connection with the review of the proposed work including meetings and associated tasks. Consultants may include but are not to be limited to Engineers and Wetland specialists.

The applicant shall pay all fees within 30 days of invoice by the City subsequent to performance of said tasks. Any dispute of payment shall be sent in writing to the Administrator within 30 days of invoice by the City. Failure to respond within the 30-day period shall result in a default of permit obligation and allow the Administrator to revoke the permit.

#### **2. Fee for issuance for Site Development/Stormwater Permits**

Fee due upon permit issuance equal to 2.50% of the approved Engineer's Estimate of Proposed Construction (EOPC). Fees are intended to cover all costs for any task associated with construction oversight and inspection of the improvements approved under the Site Development / Stormwater permit. Professional services may be provided by City Staff or Consultants working on behalf of the City, including Construction Managers, Engineers, Wetland and Ecological Specialists.

In the event the total costs for Professional Services exceeds the permit fee, additional fees may be required to cover the excess costs. Any request for additional fees shall be accompanied by an accounting of the fees incurred."