



## Legislation Text

---

**File #:** 20-227, **Version:** 2

---

### **ACTION REQUESTED:**

Communication from the City Manager and Director of Community Development with a Recommendation to ADOPT an ORDINANCE Amending CHAPTER 5 of the CODE Related to FEES.

### **BACKGROUND:**

**Update:** During the First Reading of this item, a question was asked about the relationship between building permits and changes to the assessed value of properties.

The Peoria Township Assessor provided stated that in most cases only major work to a property (new construction, additions, new accessory structures, etc.) would cause an increase in the assessed value of the property. Most typical building permits for maintenance and repairs (replacing furnaces, new wiring or plumbing, etc.) would have no impact on the assessed value. The only exception would be in cases where a building undergoes a substantial renovation, a "gut-rehab." This type of renovation may increase the assessed value.

These proposed permit fee changes are designed to continue to implement changes that will simplify and reduce the cost of the development process while increasing compliance and safety.

We believe that in aggregate these changes will be generally revenue neutral for the City but will encourage smaller residential jobs to pull the necessary permits which will allow the building safety staff to verify that work is being done in a safe and code-compliant manner.

A summary of the proposed changes is listed below.

1. The current processing fee of \$50 for residential permits and \$100 for commercial permits will be eliminated.
2. The current plan review fee of between \$50 and \$300 (depending on the permit type) will be eliminated.
3. The residential permit fee will be increased from .006 x the construction cost to .008 x the construction cost for jobs valued at \$5,000 or higher. There will be no permit fee for any residential permit with a job value of less than \$5,000.
4. The commercial permit fee will be increased from .008 x the construction cost to .009 x the construction cost for the first \$5 million in value. The fee for value above \$5 million will remain at .002.
5. Demolition permits will be a flat \$50.
6. All permits issued related to improvements to mitigate COVID-19 will be waived. This would include some HVAC systems, touchless lights, and doors, etc. The contractor would need to explain and certify that the work was designed to mitigate COVID-19.

7. Work started without a permit will be charged triple the permit cost and increase from the current double fee.
8. No charge permit work that is started without a permit will result in a citation.

Following are some examples of the proposed changes.

**Single Family New Construction valued at \$250,000**

Fee Type	Current	Proposed
Processing Fee	\$50	\$0
Plan Review Fee	\$150	\$0
Permit Fee	\$1500	\$2000
Education & Recreation Fee	\$550	\$0
Total	\$2250	\$2000

**Residential Construction valued at \$1,000**

Fee Type	Current	Proposed
Processing Fee	\$50	\$0
Permit Fee	\$6	\$0
Total	\$56	\$0

**Residential Construction valued at \$10,000**

Fee Type	Current	Proposed
Processing Fee	\$50	\$0
Plan Review Fee	\$150	\$0
Permit Fee	\$60	\$80
Total	\$260	\$80

**Commercial Construction valued at \$250,000**

Fee Type	Current	Proposed
Processing Fee	\$50	\$0
Plan Review Fee	\$150	\$0
Permit Fee	\$2000	\$2250

Total	\$2250	\$2250
-------	--------	--------

**Commercial Construction valued at \$500,000**

Fee Type	Current	Proposed
Processing Fee	\$100	\$0
Plan Review Fee	\$300	\$0
Permit Fee	\$4000	\$4500
Total	\$4400	\$4500

**FINANCIAL IMPACT:** Projected to be revenue neutral.

**NEIGHBORHOOD CONCERNS:** NA

**IMPACT IF APPROVED:** Building permit fees will be modified.

**IMPACT IF DENIED:** Building permit fees will remain unchanged.

**ALTERNATIVES:** NA

**EEO CERTIFICATION NUMBER:** NA

**WHICH OF THE GOALS IDENTIFIED IN THE COUNCIL'S 2017 - 2032 STRATEGIC PLAN DOES THIS RECOMMENDATION ADVANCE?**

1. Grow Peoria
2. Financially Sound City
3. Safe Peoria

**WHICH CRITICAL SUCCESS FACTOR(S) FROM THE COMPREHENSIVE PLAN DOES THIS RECOMMENDATION IMPLEMENT?**

1. Keep taxes and fees competitive.
2. Have an efficient government.
3. Reinvest in neighborhoods.

**DEPARTMENT:** Community Development