



BOARD OF SUPERVISORS AGENDA ITEM REPORT

Requested Board Meeting Date: June 23, 2020

Title: Development Services Fee Suspension Ordinance

Introduction/Background:

Ordinance 1997-46 establishing building and zoning fees provides for an automatic fee adjustment of 2% to take effect each July with the beginning of the fiscal year.

Discussion:

Development Services (DSD) is working with stakeholders to restructure the entire fee schedule and establish new rates and methodology. In the interim, Development Services recommends suspension of the increase to take effect for FY 2021. Although long term economic impacts to the development industry are unknown, suspension of the fee increase will offer stability and benefit the industry. A new fee ordinance will be presented to the Board of Supervisors at a later date.

Conclusion:

By suspending the fee increase, DSD will not have to expend effort amending fees in the Accela permit system. It will also offer a consistent baseline for continued discussion on a new fee ordinance to be introduced later this year.

Recommendation:

Development Services recommends adoption of the ordinance suspending the 2% increase in fees.

Fiscal Impact:

Suspension of the increase will equate to 2% less in fees being collected. This will have little impact as Development Services has sufficient cash reserves to fund operations.

Board of Supervisor District:

- 1 2 3 4 5 All

Department: Development Services Department Telephone: _____

Contact: Carla Blackwell, Director Telephone: 724-9516

Department Director Signature/Date: *Carla L. Blackwell* 5/27/2020

Deputy County Administrator Signature/Date: *[Signature]* 5/27/2020

County Administrator Signature/Date: *C. P. [Signature]* 5/27/20



DATE: May 26, 2020
TO: C.H. Huckelberry, County Administrator
FROM: Carla Blackwell, Development Services Director *CB*
SUBJECT: **Suspension of the 2 % fee increase, Ordinance to the Board of Supervisors**

Development Services has embarked upon a restructuring of our fee ordinance. We are working with stakeholders to simplify and reduce the number of fee items as well as reflect efficiencies, process changes, and new methodology for calculating increases and decreases. This fee analysis does not include transportation impact fees or sewer related fees. Although COVID-19 pandemic has delayed the convening of stakeholders, we have been able to advance the discussion. The new fee ordinance should be ready later in the summer for Board consideration.

In the meantime, I would like to propose a suspension of the automatic 2% fee increase with an emergency clause so it can be enacted for the new fiscal year beginning July 1. Despite the Covid-19 related slowdown, DSD is projected to have a positive net operating income increasing our cash reserves this fiscal year. The positive impact to the enterprise fund will enable DSD to completely pay off the general fund loan in July per your request in the memo dated April 6, 2020.

The fee increase suspension will aid the building industry recovery. It also benefits DSD so we do not have to amend the fees in the permit system and will maintain a consistent baseline for calculating the impacts of our new fee schedule.

Attached is the ordinance for the suspension and the Board of Supervisors Agenda Item Summary.

Approved Yes / No

C. Huckelberry
C.H. Huckelberry, County Administrator Date *5/27/20*

Concurrence:

Carmine DeBonis Jr.
Carmine DeBonis Jr., Dep. Co. Administrator Date *5/27/2020*

C: Yves Khawam, Assistant County Administrator
Chris Poirier, Deputy Director



MEMORANDUM

Date: April 6, 2020

To: Carla Blackwell, Director
Development Services

From: C.H. Huckelberry
County Administrator 

Re: **Repayment of the General Fund Loan to Development Services in Fiscal Year 2020/21**

Given the impact of the COVID-19 pandemic to the General Fund, I am requesting that Development Services pay the outstanding loan amount as of June 30, 2020 to the General Fund in July 2020. This is an increase of \$1,560,526 from the original loan repayment schedule.

The amount loaned from the General Fund to Development Services between Fiscal Years 2010 and 2013 totaled \$5,310,526 and repayments commenced in Fiscal Year 2016. The amount outstanding as of June 30, 2020 will be \$2,310,526.

Based on the current forecast and requested budget, including this prepayment, the department is projected to have sufficient cash reserves at the end of Fiscal Year 2021.

CHH/anc

c: Jan Leshar, Chief Deputy County Administrator
Carmine DeBonis, Deputy County Administrator
Michelle Campagne, Director, Finance and Risk Management

ORDINANCE NUMBER 2020-

AN ORDINANCE OF THE BOARD OF SUPERVISORS OF PIMA COUNTY, ARIZONA, RELATING TO FEES REQUIRED FOR VARIOUS SERVICES PROVIDED BY THE DEVELOPMENT SERVICES DEPARTMENT; SUSPENDING ORDINANCE 1997-46, SECTION 4, FOR THE PERIOD OF JULY 1, 2020 TO JUNE 30, 2021.

The Board of Supervisors of Pima County Arizona finds that:

1. A.R.S. §§ 11-863(C), 11-815(B), 11-251.08 and the adopted International Building Code allows for the adoption of building and zoning fees and fees for services and A.R.S. § 11-251.05 allows the Board of supervisors to adopt ordinances.
2. The Pima County Board of Supervisors adopted ordinance 1997-46 establishing building and zoning fees and those fees were subsequently amended by Ordinances 2003-27, 2005-34, 2009-60, 2010-25, 2010-35, 2011-25, 2012-23.
3. This ordinance does not increase fees, create new fees or create new restrictions on the use of property, and this ordinance is not intended to, nor should it be construed to reduce any existing rights to use, divide, sell or possess private real property.

IT IS ORDAINED BY THE BOARD OF SUPERVISORS OF PIMA COUNTY, ARIZONA:

SECTION 1. Effective July 1, 2020, the 2% fee increase under Ordinance 1997-46, Section 4 is suspended for the period of July 1, 2020 to June 30, 2021.

SECTION 2. To preserve the peace, health, and safety of Pima County it is necessary that this ordinance become effective immediately; an emergency is hereby declared to exist and this ordinance shall become effective immediately on its passage and adoption.

PASSED AND ADOPTED by the Board of Supervisors of Pima County, Arizona, this _____ day of _____, 2020.

Chairman, Board of Supervisors

ATTEST:

Clerk, Board of Supervisors

APPROVED AS TO FORM:



Lesley M. Lukach
Civil Deputy County Attorney