CITY OF ANNA

ORDINANCE NO. 855-2020

AN ORDINANCE OF THE CITY OF ANNA, TEXAS; AMENDING THE ANNA CITY CODE OF ORDINANCES BY AMENDING APPENDIX A, FEE SCHEDULE; PROVIDING FOR A PENALTY FOR ANY VIOLATION OF THIS ORDINANCE NOT TO EXCEED $500; PROVIDING FOR SAVINGS AND SEVERABILITY, AND REPEALING CLAUSES; PROVIDING FOR AN EFFECTIVE DATE; AND PROVIDING FOR THE PUBLICATION OF THE CAPTION HEREOF.

WHEREAS, the City of Anna, Texas City Council (the "City Council"), has previously adopted ordinances, rules, and regulations governing Schedule of Fees; and

WHEREAS, the City Council has investigated and determined that it would be advantageous and beneficial to the City and its citizens to amend Appendix A, Fee Schedule, Article A3.000 (Development Fees), Sec. A3.005 (Plat Fees) of the Anna City Code of Ordinances ("Anna Code") by adjusting rates for engineering plan and plat review to reflect the actual costs of administration, plan review, third-party consultant services, and permitting;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ANNA, TEXAS:

Section 1. Recitals Incorporated.

The above-referenced recitals are incorporated herein as if set forth in full for all purposes.

Section 2. Amendment.

In accordance with Part II of the Anna Code, the following amendments are made to Appendix A (Fee Schedule), Article A3.000 (Development Fees), Sec. A3.005 (Plat Fees).

Sec. A3.005. Plat Fees

...

(e). Fees and Charges shall be calculated in accordance with the following schedule:

...

~~(9) Deposit: In addition to any other fees, a $2,500.00 deposit will be paid at the time of submission of a preliminary plat, final plat, or combination preliminary and final plat for review by city consultants of any facilities agreement and/or civil construction plans. At the time of final approval of any given plat the deposit will be adjusted up or down based on actual costs of review(s)~~

~~by city consultants. An invoice for costs over $2,500.00 will be provided to the applicant or a refund to the extent actual costs are less than $2,500.00.~~

(9) Engineering Review:

a. Review of civil engineering construction plans shall be $250.00, plus $10.00 per acre, for each review, to be paid at the time such plans are submitted to the Public Works Department.

b. Review of flood studies shall be $250.00 for each review, to be paid at the time such study is submitted to the Public Works Department.

c. Review of special utility infrastructure plans, including sewer lift stations, sewer treatment facilities, potable water towers, potable water pressure tanks, potable water standpipes, potable water pump stations, potable water storage and similar facilities shall be $500.00 for each review, to be paid at the time such plans are submitted to the Public Works Department.

d. Review of complex structural/geotechnical plans, including without limitation retaining walls greater than 10-feet in height, reservoir/pond dams, and bridges shall be $500.00 for each review, to be paid at the time such plans are submitted to the Public Works Department.

Section 3. Penalty.

Any violation of any of the terms of this ordinance, whether denominated in this ordinance as unlawful or not, shall be deemed a misdemeanor. Any person convicted of any such violation shall be fined in an amount not to exceed $500 for each incidence of violation. Each violation is considered a separate offense and will be punished separately.

Section 4. Savings, Severability and Repealing Clauses.

All ordinances of the City in conflict with the provisions of this ordinance are repealed to the extent of that conflict. If any provision of this ordinance shall be held to be invalid or unconstitutional, the remainder of such ordinance shall continue in full force and effect the same as if such invalid or unconstitutional provision had never been a part thereof. The City declares that it would have passed this ordinance, and each section, subsection, clause, or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, and phrases be declared unconstitutional or invalid.

Section 5. Publication of the Caption Hereof and Effective Date.

This ordinance shall be in full force and effective from and after its passage and upon the posting and/or publication, if required by law, of its caption and the City Secretary is hereby directed to implement such posting and/or publication.

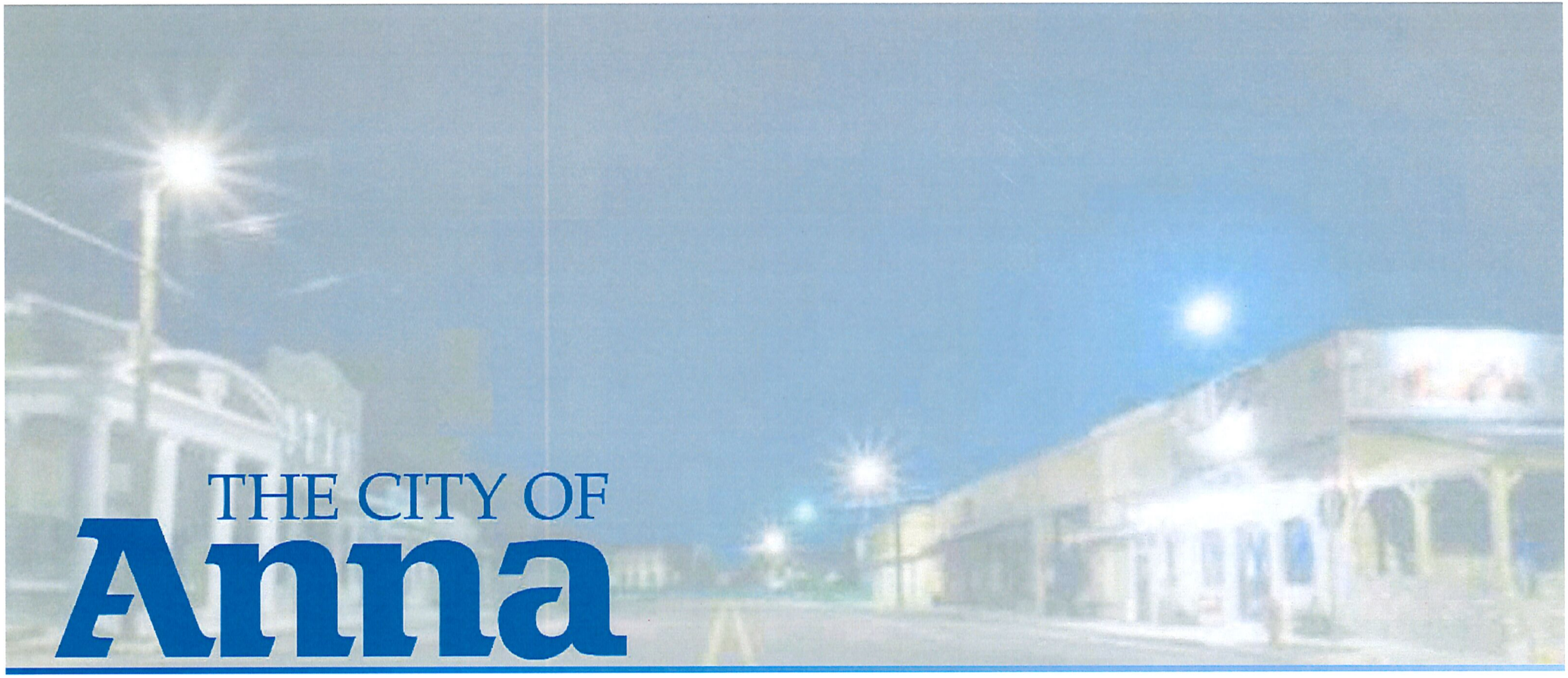
Passed by the City Council of the City of Anna, Texas, this 28th day of April 2020.

APPROVED:

Mayor Nate Pike

ATTEST:

City Secretary Carrie Smith



Ordinance – Engineering Review Fees

City Council
April 28, 2020

Overview

- Current Process
- Process Weaknesses
- Peer City Fees
- Proposed Solution
- Ordinance Language
- Staff Recommendations

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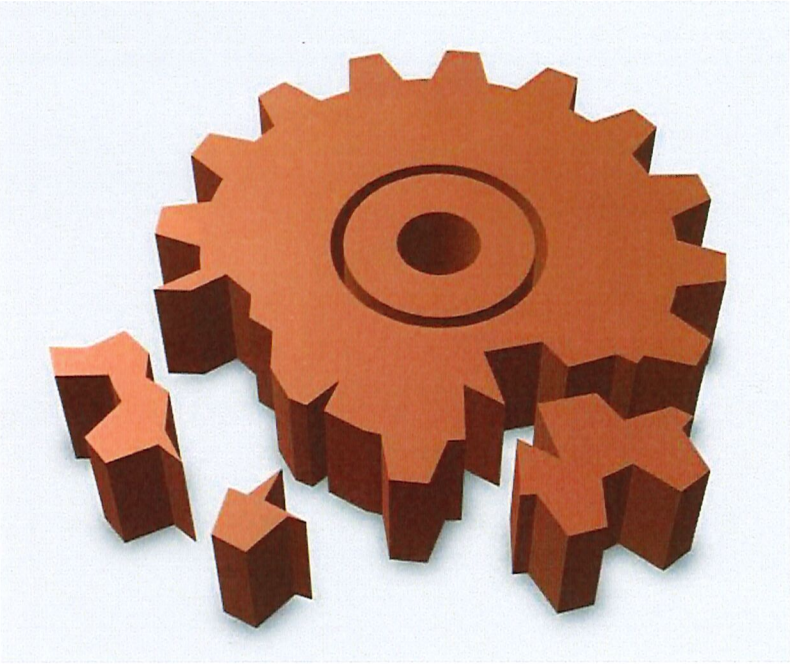
Current Process

- Developer submits $2,500 check with plat submittal and/or with civil engineering plan submittal.
- Public Works runs the civil plan review process, with review assistance from consultant (Birkhoff, Hendricks, & Carter)
- Finance Staff tracks BHC invoices against each individual development project.
- Public Works staff tracks project status relative to BHC invoicing.
- If the review cost exceeds $2,500, staff is supposed to request another payment of $2,500 from Developer.
- If review is completed for less than $2,500, staff is supposed to issue a reimbursement check to the developer for the balance.



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Process Weaknesses

- Not scalable
  - As volume of projects increases, the process quickly becomes difficult to manage due to excessive tracking and coordination.
- Often BHC invoices trail project status by 30+ days, due to the timing of work done versus invoice processing.
- Requires Finance staff to spend a great deal of time on:
  - Comparing BHC invoices to accounting status of each project.
  - Coordinating with Public Works staff on project status, project name changes, which projects may have gone dormant, which projects are done with plan review, etc.
- Requires Public Works to spend a great deal of time on:
  - Free reviews for smaller projects where BHC does not need to be involved (pad sites, 1-5 acre developments with limited infrastructure)
  - Tracking down developers to request additional payment after review is complete (if BHC review exceeds $2,500 at the end).
  - Tracking down developers and coordinating with Finance to issue reimbursement checks.

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Development Community Concerns

- Actual plan review costs are unknown until the end (difficult to budget)
- May get hit with an additional fee after project is already approved (due to timing of invoices, etc.)
- For a small simple project, a $2,500 upfront payment is too much. (Bad for small business)
- Wait time to get reimbursed for unused funds.

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Peer City Fees

City	Plan Review Fee ($)	Construction Inspection Fee (%)	Notes
Allen	No Review fee	3.2%	Captured in the inspection fee.
Anna (Current)	2500$	4.0%	All money goes towards 3rd party engineer. Any money not used is returned to Developer.
Celina	Based on # of Lots	3.0%	0-100 lots: 85$/lot, 101-200 lots:75$/lot, 201-300 lots: 65$/lot.
Frisco	No Fees	2.5%	Captured in the inspection fee.
Little Elm	See Notes	3.0%	Engineering plan review fee = $150+ • 50% of building permit fee for <$2M value • 25% of building permit fee for >$2M value • or amount as required by 3rd party review
McKinney	No Review Fee	4.0%	.5% out of the Inspection fees goes towards plan review fees.
Plano	$100/Acre	4.0%	Flat fee per acre
Prosper	$150	3.0%	A one time fee of 150$, the rest is captured in inspection fees
Sachse	$300	4.5%	A one time fee of $300, the rest is captured in inspection fees.

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Proposed Solution

- Flat fee Per Review
  - Flat fee per review based on size of project ($250 + $10/acre/review)
  - Flat fee per review for specialty infrastructure ($250/review)
  - Flat fee per review of flood studies ($250/review)
  - Flat fee per review for complex structural items ($250/review)
- Separate the consultant contract from individual development
  - Fixed fee annual contract for engineering consultant services.
  - Public Works Director and staff responsible for managing the contract and keeping on budget.
  - Once contract funds are spent, staff can complete any additional engineering review needs in-house until the next budget year. (PE on staff)
  - Some projects will not require consultant review, and can be handled in-house. (PE on staff)

Benefits

- Cost Predictability for Developers
  - Flat fees based on project size and complexity
  - No major upfront fee for a small business
  - Incentive for their consultant to be efficient (good plans = less reviews = less fees)
- Efficient Internal Process for Finance
  - No finance project tracking (saves Finance staff time)
  - Fees get deposited directly to proper fund account (no deposit & hold)
  - No reimbursement checks (saves Finance time)
- Efficient Internal Process for Public Works
  - Consultant review contract made to be a flat fee annual budget item
  - Public Works manages BHC engineering contract to maintain budget

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Ordinance Language

Article 3. Plat Fees

e. Fees and Charges shall be calculated in accordance with the following schedule:

(9) Engineering Review:

a. Review of civil engineering construction plans shall be $250.00, plus $10.00 per acre, for each review, to be paid at the time such plans are submitted to the Public Works Department.

b. Review of flood studies shall be $250.00 for each review, to be paid at the time such study is submitted to the Public Works Department.

c. Review of special utility infrastructure plans, including sewer lift stations, sewer treatment facilities, potable water towers, potable water pressure tanks, potable water standpipes, potable water pump stations, potable water storage shall be $500.00 for each review, to be paid at the time such plans are submitted to the Public Works Department.

d. Review of complex structural/geotechnical plans, including retaining walls greater than 10-feet in height, reservoir/pond dams, and bridges shall be $500.00 for each review, to be paid at the time such plans are submitted to the Public Works Department.

Staff Recommendation & Next Steps

- Staff has developed the new fee structure based on a revised internal process which provides improvements for the development community, the Finance Department, and the Public Works Department.
- Staff recommends approval of the ordinance as presented, and is available to answer any questions.
- If approved, staff would initiate the process for all new project which come in after May 1st. All current projects would remain in the current system in order to avoid confusion.

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Plan Review Fee Structure - Examples

Fees Paid							City Costs										
Acreage*	Base Review Fee	Review Fee Per Acre	Review Fee (per review)**	Example	Total Review Fee (Based on 3 reviews)	Total Review Fee (Based on 5 reviews)	Engineer Consultant Hourly Rate	Engineer Review Time Per Review (hours)	External Cost Per Review	Staff Time Per Review/Submittal	Staff FTE Hourly Rate	Internal Cost***	Total City Cost Per Review	External Cost (Based on 3 Reviews)	External Cost (Based on 5 Reviews)	Total Review Cost (Based on 3 reviews)	Total Review Cost (Based on 5 reviews)
1	$ 250.00	$ 10.00	$ 260.00	Retail Pad Site	$ 780.00	$ 1,300.00	$ 180.00	1	$ 180.00	2	$ 37.00	$ 74.00	$ 254.00	$ 540.00	$ 900.00	$ 762.00	$ 1,270.00
2	$ 250.00	$ 10.00	$ 270.00	Retail Pad Site	$ 810.00	$ 1,350.00	$ 180.00	1.5	$ 270.00	2.5	$ 37.00	$ 92.50	$ 362.50	$ 810.00	$ 1,350.00	$ 1,087.50	$ 1,812.50
5	$ 250.00	$ 10.00	$ 300.00	Small Commercial Development	$ 900.00	$ 1,500.00	$ 180.00	2	$ 360.00	3	$ 37.00	$ 111.00	$ 471.00	$ 1,080.00	$ 1,800.00	$ 1,413.00	$ 2,355.00
10	$ 250.00	$ 10.00	$ 350.00	Medium Commercial Development	$ 1,050.00	$ 1,750.00	$ 180.00	2.5	$ 450.00	3.5	$ 37.00	$ 129.50	$ 579.50	$ 1,350.00	$ 2,250.00	$ 1,738.50	$ 2,897.50
25	$ 250.00	$ 10.00	$ 500.00	Small Residential Subdivision Phase	$ 1,500.00	$ 2,500.00	$ 180.00	3	$ 540.00	5	$ 37.00	$ 185.00	$ 725.00	$ 1,620.00	$ 2,700.00	$ 2,175.00	$ 3,625.00
50	$ 250.00	$ 10.00	$ 750.00	Medium Residential Subdivision Phase	$ 2,250.00	$ 3,750.00	$ 180.00	5	$ 900.00	6	$ 37.00	$ 222.00	$ 1,122.00	$ 2,700.00	$ 4,500.00	$ 3,366.00	$ 5,610.00
100	$ 250.00	$ 10.00	$ 1,250.00	Large Residential Subdivision Phase	$ 3,750.00	$ 6,250.00	$ 180.00	7	$ 1,260.00	10	$ 37.00	$ 370.00	$ 1,630.00	$ 3,780.00	$ 6,300.00	$ 4,890.00	$ 8,150.00
200	$ 250.00	$ 10.00	$ 2,250.00	Large Residential Subdivision Phase	$ 6,750.00	$ 11,250.00	$ 180.00	8	$ 1,440.00	22	$ 37.00	$ 814.00	$ 2,254.00	$ 4,320.00	$ 7,200.00	$ 6,762.00	$ 11,270.00
250	$ 250.00	$ 10.00	$ 2,750.00	Large Mixed Use Single Phase Development	$ 8,250.00	$ 13,750.00	$ 180.00	12	$ 2,160.00	24	$ 37.00	$ 888.00	$ 3,048.00	$ 6,480.00	$ 10,800.00	$ 9,144.00	$ 15,240.00

**The City understands that large developments often include multiple phases. Acreage is determined by the total land area to be developed in the active phase of development. Future phases will be reviewed when they go through the development process.*

***Engineering Plan Review Fees are due at time of plan submittal. Plans will not be processed and reviewed until fee is paid.*

****Note: Staff time (Superintendent) includes processing paperwork & payment, setting up project folders, setting up the project in the review software system, time spent reviewing plans, and time spent coordinating comments, issuing comments, and Q/A with the design engineer and the developer. Some of this is part of the job. It is not expected that the City will recover 100% of internal costs associated with plan review processes.*

	It is the goal of the Anna Public Works Department to achieve approved civil plans after 3 rounds of plan review. If all comments are not addressed/agreed to after 3rd review, staff will schedule a meeting with the design engineer to meet in person and resolve the remaining issues.
	In rare cases up to 5 reviews may be necessary to adequately ensure the project meets City Standards. Unless the design engineer refuses to compromise on a speficic City requirement, there should never be more than 5 rounds of plan review for a project.