



Bassett Creek Watershed Management Commission

MEMO

TO: Bassett Creek Watershed Management Commission
FROM: Laura Jester, Administrator
DATE: June 11, 2013

RE: Possible Adjustments to Commission Review Fees

(The current review fee schedule is found on page 3 of this memo.)

At their meeting on 6/6/13, the TAC recommended raising the review fees so that income from the program comes closer to matching the expense of the program.

At their meeting on 6/10/13, the Budget Committee recommended raising all review fees by 25%.

Since those meetings, Engineers Chandler and Herbert have compiled the following information and make the following suggestions for adjusting the review fees:

Background compiled by Commission Engineer:

- Historically, the BCWMC did not charge an application fee and believed all review fees should be absorbed by the BCWMC. Several years ago the BCWMC implemented the fee schedule to increase revenue during "lean years" when cities were experiencing budget issues. At that time, the fee schedule was meant to increase revenue, but not fully fund the project review process.
- Based on the review of project reviews since 2009, we have the following general observations:
 - Review fees for "All Other Development" which include private commercial and industrial sites are generally consistent with review costs. However, the large sites (> 20 acres) are generally subsidizing reviews on other sites.
 - Review costs for Public Agency projects are significantly subsidized by the BCWMC. For example, the flat \$1,000 review fee for municipal projects may need to be revised (if acceptable to member cities) so that larger projects and certain types of projects pay a higher fee.
 - Review costs for Single Family lots typically include floodplain issues or conveyance issues and are significantly subsidized by the BCWMC. The current fee is \$300, which is frequently not enough to cover the costs of review. However, historically this has been intentional, as it is our understanding that the Commission did not want to place an undue financial burden on a single homeowner.
 - Application fees are generally only provided/collected for projects that are near construction. However, the BCWMC project reviews and pre-project assistance also includes preliminary projects which the Commission does not charge (or receive) a review fee. This includes DNR permit applications, EAWs/EIS, MNDOT and Hennepin County feasibility studies, scoping documents and preliminary engineering studies (examples include Southwest LRT project, Bottineau Transitway Scoping Document, Bassett Creek Regional Trail).
 - The Commission does not receive a review fee for review of MNDOT construction projects.
 - Although the fee schedule is based on parcel size, review costs are closely dependent on complexity of development.

Engineers' suggestions to revising fee schedule:

Increasing permit fees by 25% would generally have covered review costs during the 2011-2012 period. (However, during 2010 fees would have needed to double to cover the cost of reviews due to several complex public agency projects).

The BCWMC may want to consider the following revisions to the project review fee schedule:

Single Family Residential Development, density less than 3 units per acre

Total Parcel Size < 15 acres: \$1,500

Total Parcel Size > 15 acres: \$2,000

All Other Development

Total Parcel Size < 5 acres: \$2,000

Total Parcel Size 5 – 20 acres: \$2,500

Total Parcel Size ≥ 20 acres: \$3,000

Street/ Highway/ Utility Project/ Public Agency Projects: \$1,500

The Single Family Lot fee would remain at \$300

The Commission may also wish to consider “add-on” fees for projects that include work in the floodplain or that include creek crossings, which can typically add complexity (and costs) to the project reviews.

Additionally, the Commission could consider adding a budget line item for projects where a review fee is not collected. A budget of at least \$5,000 is recommended for this item, based on our review of similar reviews in the past. It's understood (but should be confirmed) that under law a fee program cannot generate revenue beyond review costs. Therefore, the amount spent has to equal or exceed the fees collected.

In light of these findings and recommendations, the income expected from review fees was raised to \$60,000.

Bassett Creek Watershed Management Commission

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Fee Schedule

Bassett Creek Watershed Management Commission Project Reviews

(effective January 1, 2009)

Project Review Fees ^{1, 2}

Single Family Lot\$300

Single Family Residential Development, density less than 3 units per acre

Total Parcel Size < 15 acres.....\$1,300

Total Parcel Size 15 – 29.99 acres\$1,600

Total Parcel Size ≥ 30 acres\$2,000

All Other Development

Total Parcel Size < 5 acres\$1,500

Total Parcel Size 5 – 20 acres\$2,000

Total Parcel Size ≥ 20 acres\$3,000

Variance Escrow.....\$2,000

Street/ Highway/ Utility Project/ Public Agency Projects\$1,000

Note: Total site area includes wetland, buffer, right of way and other nondeveloped areas.

Wetland Fees ¹

Minimum Fee ³

Wetland Delineation Review.....\$300

Wetland Replacement Plan.....\$1,500

Monitoring and Reporting.....\$1,500

Wetland Replacement Escrow.....Varies

¹ Include check for project review fee or wetland fee with application form. Check should be made payable to Bassett Creek WMO.

² Project review fee based on total parcel size (not disturbed area) including wetlands, buffer, right-of-way, and other nondeveloped area.

³ Will be billed at actual cost