

# TRPA Governing Board Meeting

*October 25, 2023*

## Agenda Item No. VIII.A

Amendments to the Fee Schedule necessary to implement the Permitting Improvement Project.



# Tahoe Regional Planning Agency

## TRPA Permitting Improvement Project

### DRAFT FEE SCHEDULE AMENDMENTS

Governing Board

Agenda Item No. VIII.A

October 25, 2023

(Continued from September 27, 2023)

**StockhamConsulting**  
Land Use Planning & Property Services



# ***Action Plan for TRPA Permitting Improvements***

*Governing Board Endorsed in August 2022*

## **Priority Topics to Address:**

1. Efficient, consistent, and predictable processes.
2. Simplify procedures minor applications and sequential approvals.
3. Update code standards that are difficult to interpret, do not add value, or are unduly cumbersome.
4. Prioritize public communication and customer services.
5. Enhance staff development and training.
6. **Adequate and dependable funding and staffing.**



## Action Plan Priority #6:

### *Maintain adequate funding and staffing*

**\*\*Application fees do not cover project review costs\*\***

#### *Action Plan:*

- ✓ Address Deficit Primarily with Process Improvements
  - ✓ Amendments Approved September 27, 2023
- ✓ Revenue and Expense Monitoring Reports
  - Can inform fee changes starting with the 2026 Budget
- *Targeted fee & staff adjustments for known issues\*\**

#### *Phase 3 – In Development:*

- Application Review Improvements
  - Applications and Technology
  - Review Procedures
  - Communication with Applicants
  - Timelines and Performance Management





# Application Fee Background

## Persistent Budget Deficits:

- ±30% average deficit from 2020-22

Table 1: Permitting & Compliance Department's Revenue and Expenses, 2020-2022				
	2020	2021	2022	Average
Revenue	\$ 1,723,769.16	\$ 2,453,090.18	\$ 2,571,241.86	\$ 2,249,367.07
Expenses	\$ 2,817,142.08	\$ 2,838,968.95	\$ 3,095,134.47	\$ 2,917,081.83
Labor	\$ 1,491,827.08	\$ 1,524,006.03	\$ 1,676,016.30	\$ 1,563,949.80
Operating	\$ 198,828.71	\$ 363,296.55	\$ 451,051.15	\$ 337,725.47
Admin & Overhead	\$ 1,126,486.29	\$ 951,666.37	\$ 968,067.02	\$ 1,015,406.56
(Deficit) / Surplus	\$ (1,093,372.92)	\$ (385,878.77)	\$ (523,892.61)	\$ (667,714.77)

- Increased deficit in preliminary 2023 financials ≥50%



# Application Fee Background

## Past Fee Adjustments

- ✓ Time & expense review 2005 – fee adjustments 2007/08
  - ✓ No fee adjustments 2009-18
  - ✓ 30% Catch-up increase in 2019
  - ✓ Annual CPI Adjustments since 2020
- 
- Fees should generally reflect 2005 processes + inflation.
  - Fees for 2018 shorezone ordinances have not been reviewed
  - Typical lakefront projects are larger and more complex



# Application Fee Recommendations

Known Issues with certain application fees

Recommend targeted (not uniform) fee adjustments:

- Cost Recovery Issues

- Shoreland Scenic Reviews
- Buoys and Floating Platforms
- Mooring Lottery Eligibility Reviews
- Pier Expansions

} **±85% of Total**

- Projects Requiring Notice
- Hotel, Motels and Timeshares
- No-Fee Qualified Exempt Declarations
- No-Fee Repeat Permit Acknowledgement
- No-Fee Parcel Consolidation Deed Restrictions

- Fee Incentives

- Delete Fee Multiplier for Projects in Special Plan Areas
- Reduce Fees for Day Care Facilities and Preschools





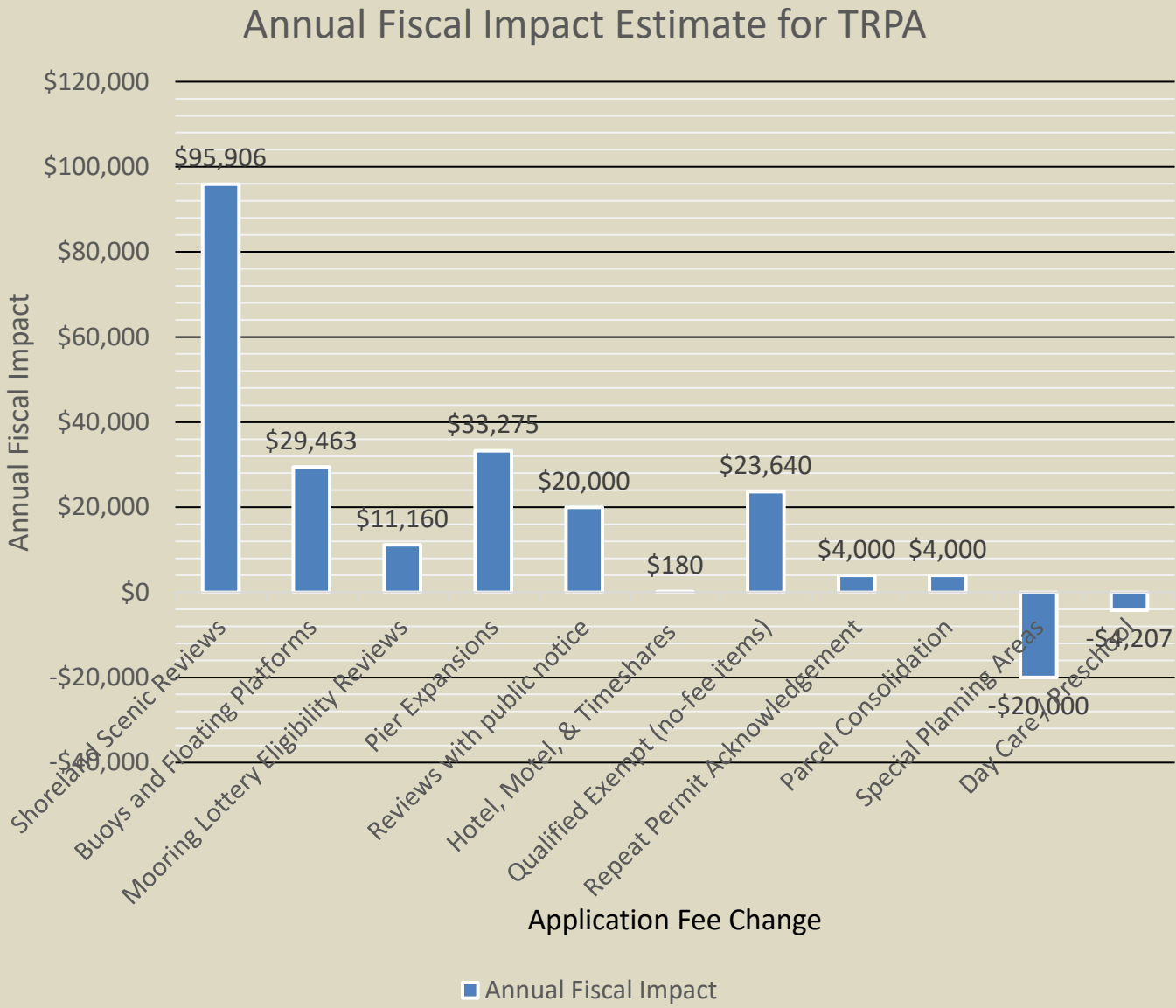
# Fiscal Impact Estimate

Fiscal Impact Estimates for Application Fee Changes						
Fee Topic	Average Annual Applications 2020-22	2023 Application Fee	Estimated 2023 Fee Collections	Proposed Fee	Estimated 2023 Total with Changes	Annual Fiscal Impact
Shoreland Scenic Reviews	86	\$629	\$54,094	\$1,000 or \$2,000	\$150,000	\$95,906
Level 3 or 6	22			\$1,000	\$22,000	
Level 4 or 5	64			\$2,000	\$128,000	
Buoys and Floating Platforms (new)	36	\$787 each for the first 3; \$393 per additional	\$28,332	\$1,500 each	\$54,000	\$25,665
Buoys and Floating Platforms (additions)	4	\$629 each for first 3; \$315 per additional	\$2,202	\$1500 each	\$6,000	\$3,798
Mooring Lottery Eligibility Reviews	40	\$71	\$2,840	\$350	\$14,000	\$11,160
Pier Expansions	11	\$3,025	\$33,275	\$6,050	\$66,550	\$33,275
Day Care / Preschool (new)	1	\$3,025	\$3,025	\$800	\$800	\$(2,225)
Day Care / Preschool (additions)	1	\$2,782	\$3,782	\$800	\$800	\$(1,982)
Hotel, Motel, & Timeshares (additions)	3	\$2644 plus per unit \$47	\$8,637	\$2644 plus per unit \$59	\$8,817	\$180
Qualified Exempt (no-fee items)	120	none	\$0	\$197	\$23,640	\$23,640
Repeat Permit Acknowledgement	20	none	\$0	\$200	\$4,000	\$4,000
Parcel Consolidation	20	none	\$0	\$200	\$4,000	\$4,000
Reviews with public notice		none	\$0	1.25 multiplier	\$20,000	\$20,000
Special Planning Areas		1.25 multiplier	\$20,000	None	\$0	\$(20,000)
Total Estimated Annual Fiscal Impact (approx.)						\$197,420
Annual Fiscal Impact Range					\$170,000-\$220,000	

Department revenue should increase 8%-10% total



# Fiscal Impact Estimate







# Application Fee Recommendations

## Shoreland Scenic Reviews

- Current Fee: \$629 add-on
- Proposed Fee: \$1,000 (level 3/6) or \$2,000 (level 4/5)
- Review Expenses:
  - Applies to sensitive sites - piers, lakefront buildings, and other shoreland and shorezone projects
  - Chapter 66 shoreland scenic standards include complex limitations for visual contrast, vegetative screening, and allowed visible area
  - Lakefront project sizes and views are limited by visible area.
  - Chapters 80-84 shorezone scenic standards and mitigations increase complexity for properties with shorezone projects
  - Reviews involve a 10-step quantitative analysis addressing each building surface material. (See DRG Exhibit H).
  - Flexibility for design and mitigation increases review times.
  - Complexity is reduced for level 3 and 6 reviews.
- Fiscal Impact for TRPA: ±\$95,000 annual increase



# Application Fee Recommendations

## Buoys and Floating Platforms

- Current Fee:
  - New: \$787 each for the first 3; \$393 per additional
  - Additions: \$629 each for first 3; \$315 per additional
- Proposed Fee: \$1,500 each
- Review Expenses:
  - Need to address eligibility, allocations, locations based on property line projections, and separation.
  - Often involve complicated project area restrictions.
  - Applications are often not routine.
  - Agency coordination is required.
  - Buoy's attract significant public interest.
- Fiscal Impact for TRPA: ±\$29,000 annual increase



# Application Fee Recommendations

## Mooring Lottery Eligibility Reviews

- Current Fee: \$71
- Proposed Fee: \$350
- Review Expenses:
  - Technology to conduct the mooring lottery
  - Public outreach
  - Customer service inquiries
  - Notifications
  - Verify permits and registrations
- Fiscal Impact for TRPA: ±\$11,000 annual increase





# Application Fee Recommendations

## Pier Expansions

- Current Fee: \$3,025 (same as pier modification)
- Proposed Fee: \$6,050 (same as new pier)
- Review Expenses
  - Expansions require similar reviews as new piers
  - Pier modifications may not increase structure dimensions – reviews are less complex
  - Chapters 80-85 pier design standards are complex
  - Reviews address separate standards within Lake Tahoe, in the Backshore, and in the Shoreland.
  - Reviews may also include determinations of legal existence or closer conformance.
  - Pier expansions and reconstructions attract a lot of public interest.
- Fiscal Impact for TRPA: ±\$33,000 annual increase



# Application Fee Recommendations

## Projects Requiring Notification

- Current Fee: No added fee
- Proposed Fee: 1.25 Fee Multiplier
- Review Expenses
  - Includes subdivision of existing structures, increased tourist or commercial density, major erosion control projects, and some shorezone projects.
  - Piers and buoy fields are now included
  - Staff prepares a notification packet with project information
  - Staff distributes notices and addresses public comment
  - Staff informs commenters when actions are taken
- 1.25 multiplier compares to existing 1.4 and 1.8 multipliers for Hearings Officer and Governing Board
- Fiscal Impact for TRPA: ±\$20,000 annual increase
  - Based on past caseload
  - Review costs for additional shorezone projects should be proportional to fee changes





# Application Fee Recommendations

## Total Combined Fee Changes for Typical Shoreland/Shorezone Projects

Application Type	Total Fee (Existing)	Total Fee (Proposed)	Fee Increase (Decrease)
Single Family Remodel/Addition (Lakefront, 4,000 sf, High Scenic)	\$7,799	\$9,170	\$1,391
New Pier – multiple use (High Scenic)	\$12,544	\$10,425 (no GB review)	(\$2,119)
New Pier – single use (High Scenic)	\$9,756	\$10,425 (no HO review)	\$669
Pier Expansion (High Scenic)	\$3,944	\$10,425	\$6,481
Pier Modification (No Scenic)	\$3,944	\$3,944	\$0
Mooring Lottery Eligibility	\$71	\$350	\$279
One New Buoy (No Scenic)	\$787	\$1,500	\$713
Relocate 5 buoys (No Scenic)	\$2,807	\$7,790	\$4,983



# Application Fee Recommendations - Other

Tourist Accommodations: Increase to match fees for multi-family (from \$2,644 + \$47/unit to \$3,195 + \$59/unit)

- Reviews are similar or more complex compared to multi-family.
- Fiscal impact  $\leq$ \$1,000/year

Qualified Exempt: Apply current fee (\$213) to all.

- Covers steps to document, file, and enforce
- Volume should decrease with approved amendments
- Fiscal Impact for TRPA:  $\pm$  \$5,000 - \$20,000 annual increase

Parcel Consolidation Deed Restrictions: New \$200 fee

- Covers title review and deed preparation
- Fiscal Impact for TRPA:  $\pm$  \$4,000 annual increase

Repeat Permit Acknowledgements: New \$200 fee

- Covers additional final plan reviews
- Fiscal Impact for TRPA:  $\pm$ \$4,000 annual increase



# Application Fee Recommendations - Incentives

## Special Planning Area:

- Current Fee: 1.25 fee multiplier
- Proposed Fee: No fee multiplier
- Planning Considerations:
  - Added fees discourage projects in priority redevelopment areas.
  - New plans are less complex
- Fiscal Impact for TRPA:  $\pm$  \$5,000 - \$20,000 annual decrease

## Day Care:

- Current Fee: \$3,025 (new) or \$2,782 (additions)
- Proposed Fee: \$800
- Planning Considerations:
  - Day Care is an essential community service
  - High fees discourage establishment and expansion
  - TRPA averages 1 new and 1 expansion application per year
- Fiscal Impact for TRPA:  $\pm$  \$4,000 annual decrease





# Implementation Options:

- 1. Implement on January 22, 2024 with the Annual Fee Adjustments
  - Annual Revenue increase \$170,000 - \$220,000 starting in 2014
  - Represents 8%-10% Budget Increase for Permitting
  - Plan to balance budget with staff efficiencies (20%+ cost reduction)
- 2. Implement larger fee increases in 3 phases
  - Generates \$170,000 - \$220,000 less revenue compared to immediate implementation

	Estimated Annual Revenue Increase		
	Immediate Implementation	3-Year Phased Implementation	Difference
2024	\$170,000 - \$220,000	\$56,667 - \$73,333	\$(113,333) - \$(146,667)
2025	\$170,000 - \$220,000	\$113,333 - \$146,667	\$(56,667) - \$(73,333)
2026	\$170,000 - \$220,000	\$170,000 - \$220,000	\$0
3-Year Total	\$510,000 - \$660,000	\$340,000 - \$440,000	<b>\$(170,000) - \$(220,000)</b>

# TRPA Governing Board Meeting

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## Board Members Comment/Questions



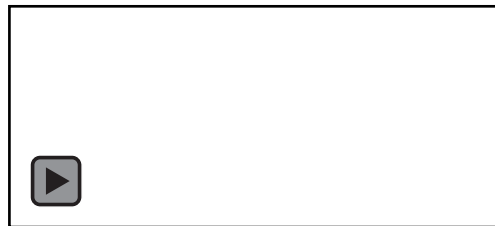
# Governing Board Meeting

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Amendments to the Fee Schedule necessary to implement  
the Permitting Improvement Project

## Public Comment



# TRPA Governing Board Meeting

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A motion to adopt Resolution 2023-\_\_\_\_\_ (Attachment A),  
amending the Fee Schedule