



CITY OF SAINT PAUL  
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DATE: November 24, 2015  
TO: Planning Commission  
FROM: Zoning Committee  
RE: Zoning Fee Study and Amendments

Zoning Code § 61.302, *Application forms and fees*, prescribes fees to defray the costs of zoning permits and approvals pursuant to MN Stat. §§ 462.351-364, which require fees to be fair, reasonable, and proportionate to the actual cost of the service for which the fee is imposed; require zoning fees to be prescribed by ordinance; and require Planning Commission review and recommendation for Zoning Code amendments. Zoning Code § 61.801(b) provides that Zoning Code text amendments may be initiated by the City Council or by the Planning Commission.

Zoning Code § 61.302(a) states that fees for applications filed with the planning administrator (in PED) shall be paid to the Department of Planning and Economic Development and fees for applications filed with the zoning administrator (in DSI) shall be paid to the Department of Safety and Inspections. The fees for some specific types of applications are sometimes paid to DSI and sometimes paid to PED because for case-specific reasons the applications are sometimes required to be filed with the zoning administrator in DSI and sometimes required to be filed with the planning administrator in PED. When zoning fees have been studied in the past, zoning staff in DSI and PED have always worked closely together to recommend coordinated and consistent amendments.

The relationship of zoning fees to the cost of the service for which the fee is imposed was last studied in 2010. In that study, DSI and PED zoning staff prepared detailed cost estimates for processing the various types of zoning applications. A table prepared in 2010 summarizing that work is attached. It shows the estimated actual cost of each type of application, the proposed fee, and the % of the cost recovered by the proposed fee. It also shows the fees Minneapolis and Bloomington were charging at that time. The amendments to zoning fees prescribed in Zoning Code § 61.302 recommended in the 2010 study and adopted by the City Council in January 2011 set fees at an appropriate percentage of the cost to the City for review and administration of each particular type of zoning application, generally between 60% and 100% of the estimated cost.

All of the work done in the 2010 study to prepare detailed cost estimates for the various types of zoning applications doesn't need to be redone now, but the fees do need to be adjusted periodically for inflation. The total amount of zoning fees per year does not justify the time and cost of going through the process of amending the Zoning Code to adjust zoning fees

every year. In 2014, DSI collected a total of \$206,025 and PED collected a total of \$61,879 in zoning fees under the fee schedule in Zoning Code § 61.302. The last two zoning fee studies/amendments were in 2005 and in 2010/2011, about five years apart.

Two tables with inflation data that apply to Saint Paul through 2014 are attached. Using the three-year 2012-2014 inflation average as an estimate for 2015, the table for Minneapolis – Saint Paul shows inflation of 11.4% in the five years since the zoning fees were last amended. Similarly using the 3-year 2012-2014 inflation average as an estimate for 2015, the table for state and local governments shows inflation of 9.3% in the five years since the zoning fees were last amended.

Zoning Code § 61.401, *Site plan review generally*, requires that a site plan and building elevations drawn to scale, along with any other information determined by the zoning administrator as being essential for determining whether provisions of the Zoning Code (including design standards) are being complied with, shall be submitted to and approved by the zoning administrator before building permits are issued for new buildings or building expansions. However, the practice has been to apply the site plan review fee in § 61.302(b)(1) only if site plan review is also required under § 61.402, *Site plan review by the planning commission*, which generally does not include one- and two-family dwellings unless they are part of a larger development, on a steep slope, or in the river corridor. The current \$200 fee for site plan review for 1-2 dwelling units in § 61.302(b)(1) was estimated in 2010 to recover 63% of the costs of the review.

A separate fee in § 61.302(b)(2) for design review for one- and two- family homes is applied when the fee for site plan review in § 61.302(b)(1) is not applied. Both fees are not applied to the same project because they would be duplicative. The design review fees in § 61.302(b)(2) are \$45 for new one- and two- family homes and \$30 for additions to one- and two- family homes.

The fees currently being charged for site plan and design review required by the Zoning Code for new one- and two-family dwellings and additions to one- and two-family dwellings usually cover a very small portion of the staff time involved. When amendments to dimensional and design standards for one- and two-family dwellings were being studied last summer, the zoning administrator prepared updated detailed cost estimates for this review using the current average cost per hour for the DSI staff doing this review (including average salary and benefits plus operating costs): \$359 for new one- and two-family dwellings and \$344 for additions. Lack of fees to pay for the staff needed for this has resulted in a backlog and slow review time.

A large part of the gap between the cost of site plan review (including review for compliance with design standards in the Zoning Code) for one- and two-family dwellings and the fees being charged could be addressed by applying the site plan review fee in § 61.302 to site plan review required under both § 61.401 and § 61.402. The separate fees in § 61.302 for site plan review and design review could be combined under site plan review, since the design review requirements are included under § 61.401, *Site plan review generally*. Increasing the cost

recovery rate is the other way to reduce the gap between the cost and fees for site plan review for 1-2 dwelling units. DSI has proposed a site plan review fee of \$350 for new one- and two-family dwellings (97 % of the estimated cost) and \$325 for additions (94 % of the estimated cost). This would be lower than the current \$440 Minneapolis fee.

During their budget process over the last few months, a DSI proposal for an across-the-board increase for all DSI fees (building permit fees, license fees, etc.) was discussed with the Mayor and Council, and a 3% across-the board increase was agreed to. On October 26, 2015, DSI Deputy Director Dan Niziolek forwarded a draft ordinance to the Zoning Administrator and City Attorney's Office with a 3% increase in the zoning fees collected by DSI and the change in fees for site plan review for 1-2 dwelling units noted above. They then informed the Planning Administrator and zoning staff in PED of the proposal, and informed the DSI Deputy Director of the state requirement for Planning Commission review.

Options for more coordinated and consistent amendments were considered to adjust zoning fees for inflation (rather than a 3% increase related to increases for other DSI fees that are not based on the cost of the service for which the fee is imposed, some of which have been increased more recently than zoning fees), and to include all of the zoning fees paid to PED (rather than just the fees paid to DSI including just some of the fees paid to PED). However, the Deputy Mayor is not comfortable with moving ahead at this time with something other than what DSI has already discussed with the Mayor and Council, and DSI wants to move ahead as quickly as possible with what they have already discussed with the Mayor and Council.

#### Committee Recommendation

The Zoning Committee recommends applying the site plan review fee in Zoning Code § 61.302 to site plan review required under both § 61.401 and § 61.402; recommends initiation of a zoning study to consider adjustments of fees prescribed in Zoning Code § 61.302, *Application forms and fees*, to reflect an increase in costs due to inflation since the fees were last set; and recommends initiation and adoption of the following draft amendments to Zoning Code § 61.302, *Application forms and fees*, including:

1. Combine the separate fees for site plan review and design review for one-and two-family dwellings under site plan review, and adjusting this fee to recover about 94-97% of the cost of this review;
2. Increase other zoning fees paid to the Department of Safety and Inspections by 3%;
3. Move the historic use variance fee from "g" under "*administrative staff reviews*" to its own category because it is not an administrative staff review; and
4. Delete (16)d pertaining to appeals of wetland exemption and no loss administrative decisions because such appeals go to the board of Zoning Appeals covered in (6) *Appeals*.

Draft amendments to Zoning Code § 61.302, Application forms and fees

**Sec. 61.302. Application forms and fees.**

- (a) *Application forms and fee.* All applications shall be filed on appropriate forms. Pursuant to Minn. Stat. § 462.353, subd. 4, a fee to defray the costs incurred in administering official zoning controls established pursuant to Minn. Stat. § 462.351-364, as set forth in the schedule below, shall be paid by the applicant when a zoning application is filed. The fee for applications filed with the planning administrator shall be paid to the department of planning and economic development. The fee for applications filed with the zoning administrator shall be paid to the department of safety and inspections. Zoning control application fees shall be amended by ordinance.
- (b) *Fee schedule.* Fees for the following zoning control applications shall be as follows:
- (1) *Site plan review:*
    - a. ~~Two~~ Three hundred fifty dollars (~~\$200~~350.00) residential, one (1) to two (2) dwelling units. Three hundred twenty-five dollars (\$325.00) for additions to one- and two-family dwellings.
    - b. Five hundred fifteen dollars (~~\$500~~515.00) up to ten thousand (10,000) square feet of land and two hundred six dollars (~~\$200~~206.00) for each additional ten thousand (10,000) square feet of land for all other uses, and an additional fee of two hundred sixty eight dollars (~~\$260~~268.00) for sites on steep slopes or in the river corridor or tree preservation overlay districts. For any site plan for which a travel demand management plan is required, there is an additional fee of four hundred fifty six-four dollars (~~\$450~~464.00).
    - c. In addition to the site plan review fee, three hundred nine dollars (~~\$300~~309.00) for site plans that are reviewed before the planning commission.
    - d. Thirty-one dollars (~~\$30~~31.00) for agricultural uses required by section 65.771(a) and farmer's markets required by section 65.515(b).
  - ~~(2)~~ *Design review:*
    - a. ~~Forty five~~ dollars (~~\$45~~.00) for new single family dwellings and duplexes.
    - b. ~~Thirty~~ dollars (~~\$30~~.00) for additions to single family dwellings and duplexes.
  - ~~(23)~~ *Conditional use permit:* Eight hundred dollars (\$800.00) up to one (1) acre of land, two hundred dollars (\$200.00) for each additional acre of land, and an additional fee of one hundred eighty (\$180.00) for a river corridor conditional use permit.
  - ~~(3)~~~~(4)~~ *Major variance:*
    - a. Five hundred ~~twenty~~ thirty-six dollars (~~\$520~~536.00) one- and two-family residential and signs.
    - b. Five hundred ~~sixty~~ seventy-seven dollars (~~\$560~~577.00) multiple-family residential.
    - c. Eight hundred ~~fifteen~~ thirty-nine dollars (~~\$815~~839.00) commercial, industrial, institutional.
  - ~~(45)~~ *Minor variance:* Four hundred ~~twenty~~ thirty-three dollars (~~\$420~~433.00).
  - ~~(56)~~ *Nonconforming use permit, determination of similar use:* Seven hundred dollars (\$700.00).

~~(67)~~ *Appeals:*

- a. Five hundred ~~twenty~~ thirty-six dollars (~~\$520~~536.00) for appeals from administrative decisions to the board of zoning appeals or planning commission.
- b. Four hundred ~~forty~~ fifty-three dollars (~~\$440~~453.00) for appeals from decisions of the board of zoning appeals or planning commission to the city council.

~~(78)~~ *Rezoning:* One thousand two hundred dollars (\$1,200.00) up to one (1) acre of land, two hundred fifty dollars (\$250.00) for each additional acre of land, and an additional fee of five hundred dollars (\$500.00) for rezoning to TN3(M) Traditional Neighborhood District with a master plan and an additional fee of one thousand dollars (\$1,000.00) for rezoning to PD Planned Development District.

~~(89)~~ *Reduced fees for multiple approvals:* For any permit or variance application in subparagraph (2) through ~~(76)~~ above submitted for consideration by the planning commission at the same public hearing as a rezoning, or a permit or variance application in subparagraph (2) through ~~(76)~~ with a higher fee, an additional fee of three hundred dollars (\$300.00) shall be added to the rezoning fee set forth in subparagraph ~~(87)~~ or to the higher fee in subparagraph (2) through ~~(76)~~.

~~(94)~~ *Subdivision review:*

- a. Three hundred dollars (\$300.00) lot split.
- b. Six hundred dollars (\$600.00) up to one (1) acre of land, and one hundred twenty-five dollars (\$125.00) for each additional acre of land, sans dedicated public streets and open space, for preliminary plat/registered land survey.
- c. Two hundred twenty-five dollars (\$225.00) final plat/registered land survey.
- d. Five hundred twenty dollars (\$520.00) for variance of subdivision regulations to be considered by the city council.

~~(104)~~ *Planning commission shared parking permit:* Three hundred fifty dollars (\$350.00).

~~(112)~~ *City council interim use permit:* Seven hundred dollars (\$700.00)

~~(123)~~ *Zoning compliance letter, research:*

- a. One hundred three dollars (~~\$100~~103.00) one- and two-family residential.
- b. Two hundred thirty ~~-seven~~ seven dollars (~~\$230~~237.00) all other uses.
- c. One hundred three dollars (~~\$100~~103.00) additional for an expedited request.

~~(134)~~ *Administrative staff reviews:*

- a. Three hundred ~~fifty-five~~ sixty-six dollars (~~\$355~~366.00) for review of request for reasonable accommodation.
- b. Three hundred ~~seventy-five~~ eight-six dollars (~~\$375~~386.00) for review of statement of clarification.
- c. Two hundred ~~fifteen~~ twenty-one dollars (~~\$215~~221.00) for review of shared parking permit.
- d. ~~Eighty-five~~ Eighty-eight dollars (~~\$85~~88.00) for review of demolition permit.
- e. One hundred ~~five~~ eight dollars (~~\$105~~108.00) for review of antenna permit.
- f. One hundred ~~fifteen~~ eighteen (~~\$115~~118.00) for a flood plain permit.
- g. ~~Seven hundred dollars (\$700.00) for a historic use variance.~~

(14) Historic use variance: Seven hundred dollars (\$700.00).

(15) *SFV state fair vending permit*: Annual fee of one hundred twenty-four dollars (~~\$120~~124.00) per parcel on which vending will occur.

(16) *Wetland Conservation Act administrative determination*:

a. One hundred ~~twenty-five~~ twenty-nine dollars (~~\$125~~129.00) for Wetland Conservation Act exemption or no loss compliance letter.

b. Wetland delineation review:

1. One hundred sixty-five dollars (~~\$160~~165.00) for sites less than 1 acre.

2. Three hundred ~~twenty~~ thirty dollars (~~\$320~~330.00) for sites 1 acre or larger.

c. Four hundred sixty seventy-four dollars (~~\$460~~474.00) for wetland fill and replacement/sequencing plan review.

~~d. Four hundred ninety dollars (\$490.00) for appeals to the city council from decisions of the zoning administrator on wetland exemption or no loss determinations.~~

(17) Environmental review: Actual cost of review processes as determined by the planning director.

~~(187)~~ *Late fee*: For any application made for any development commenced without first obtaining all required permits and approvals, the fees listed above shall be doubled, to a maximum additional fee of one thousand dollars (\$1,000.00), to offset costs associated with investigating, processing and reviewing applications for such development.

~~(198)~~ *Refunds*: For a zoning case withdrawn before final approval, the zoning or planning administrator may refund part of the fee based upon the proportion of the work completed at the time of withdrawal.

~~(2049)~~ *Large sites*: For large sites where only a portion of the site is affected by the zoning action, the zoning or planning administrator may set the fee based on the size of the affected portion of the site.

~~(20)~~ *Environmental review: Actual cost of review processes as determined by the planning director.*

(c) *Fee for permits and approvals subject to annual review condition*. A holder of a conditional use permit, nonconforming use permit or variance, which the planning commission, board of zoning appeals or city council, has approved subject to annual review, shall pay to the department of safety and inspections, at the time the zoning administrator provides notice of the annual review to the permit holder, an annual review fee in the sum of sixty-two dollars (~~\$60~~62.00).