



Legislation Text

File #: 19-5469, **Version:** 1

Title:

Land Use and Environmental Services Agency (LUESA) Fee Ordinance Changes (Second Reading)

Summary

ACTION:

Adopt an Ordinance Revising the Land Use and Environmental Services Agency (LUESA) Fee Ordinance

Staff Contact: W. Dave Canaan, LUESA Storm Water Services Division Director

Presentation: No

BACKGROUND/JUSTIFICATION:

By Interlocal Agreements, LUESA - Storm Water Services division provides Land Development services on behalf of the towns in Mecklenburg County. The services may vary from Town to Town. Generally, the services are comprised of performing plan review, permitting and inspection services for land development activities, such as, erosion control, storm water, transportation, zoning, etc. The Interlocal Agreements state that the County may charge fees to offset the costs incurred in providing these services on behalf of the Towns. Beginning July 1, 2019, the Town of Huntersville will provide all of these services themselves.

In preparation for the FY20 budget, Storm Water Services developed a time/expense tracking system, 100% cost recovery hourly rate model and Land Development fee model. The output from the system and models indicate that the fees currently being charged do not cover the expenses incurred by Storm Water Services. The towns and LUESA - Storm Water Services recommend revisions to the LUESA Fee Ordinance to achieve the following goals:

- **County recover 100% of its costs and minimize subsidies**
- **Set fees to attain a Land Development Reserve Goal to fund pre-paid services by FY22**
- **Successfully transition Land Development Services to the Town of Huntersville while maintaining flexibility to address future unknowns.**

Storm Water staff met with the Real Estate and Building Industry Coalition (REBIC) and the Land Development Committee of the Charlotte Homebuilders Association twice during the FY20 budget process. While these two groups expressed concern over the significant fee increases, they did support phasing in the fee increases over a two-year period. On April 9, LUESA staff presented the proposed fee changes during the Budget/Public Policy meeting of the Board of County Commissioners. Based on feedback from these meetings, the fee increases are proposed to be phased in over two years. Two exceptions for phasing in the

fees are those that prevent bad behavior (Bond Default Letter, Re-Inspection and Re-Review fees) and the fees that relate to attaining the Land Development Reserve Goal. Phasing in most of the fees over two years will allow:

- Additional time to collect expense data to check against some of the assumptions in the hourly rate and fee models
- Time to ensure that the data being collected from the different sources is accurate
- Time to implement changes to the time/expense tracking system, hourly rate model and fee model based on findings from Internal Audit (if necessary)

An informal Budget Committee consisting of the five Town Managers and the Storm Water Services Division director has endorsed the above goals and proposed fee increases. The Charlotte-Mecklenburg Storm Water Advisory Committee also supports the above goals and the proposed increases associated with Floodplain Development Permit Fees.

PROCUREMENT BACKGROUND:

NA

POLICY IMPACT:

NA

FISCAL IMPACT:

N/A