



**Development Services**

389 Spruce Street  
Morgantown, WV 26505  
304.284.7431

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**MEMORANDUM**

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Date: 21-Jun-2013  
To: Jeff Mikorski, City Manager.....*via email*  
RE: Development Plans Review Fees

As directed by your Office and outlined in your six-month goals relative to improving financial stabilization, a working group has been assembled to examine development plans reviews services and related fees. The working group includes the Planning Division, Code Enforcement Division, Engineering Department, Fire Department, and Finance Department.

With the exception of the Finance Department, each section identified above provides various levels of plans review for all multi-family residential, commercial, and industrial developments. The process of coordinated multi-disciplinary plans review is, by nature, resource intensive. Excluding application fees associated with approvals by the Planning Commission and Board of Zoning Appeals, the only fees related to development that involves plans reviews by all the noted code disciplines are building permit fees.

According to Chief Building Code Official Michael Stone, the International Code Council (ICC) recommends that revenue generated from building permit fees should fund at least 70% of costs associated with Building Inspection services, which includes building permit application intake, Building Code plans review, permit issuance, construction inspections, and travel and training associated with requisite Building Code certifications. It is estimated that the current building permit fee schedule generates only 25% of the Building Inspection services cost to the general fund.

Like Building Inspection services, the fee schedule for Planning Division plans review services is significantly less than its associated administrative cost to the general fund. Further, the City has not enacted a fee schedule to defray general fund costs associated with the development plans review services provided by the Fire Department or the Engineering Department.

Simply put, the City's general fund heavily subsidizes multi-disciplinary development plans review services.

The working group is developing a methodology on which a new fee schedule can be advanced that incorporates all plans review services. Presently, this process is being guided by the following objectives:

1. Identify, to the greatest extent practicable, market value for the City's plans review services.
2. Identify the most fair and equitable standard on which a new plans review fee schedule can be based (e.g., cost of construction basis verse per square foot basis).



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3. Integrate, to the greatest extent practicable, a very diverse set of development and construction code review elements (e.g., construction type; square footage; electrical, plumbing, mechanical, alarm, and sprinkler systems; development/construction site design, etc.) into one logical and reasonable fee structure.

The working group fully understands and appreciates the economic and political challenges associated with developing new/additional fees for the general public. Of particular concern is the real and perceived impact this policy may have to the cost of doing business and development within the City. Given the varying degrees of building, fire, engineering, and planning regulations administered outside Morgantown corporate boundaries, the working group is very sensitive to ensuring that we remain attractive and competitive in terms of continued growth, expansion, and development in housing, commercial, and industrial sectors.

To this end, the working group is preparing to report its findings and recommended course at the 30-Jul-2013 Committee of the Whole meeting.

cc via email: Glen Kelly, Assistant City Manager for Operations  
Chief Mark Caravasos, Fire Department  
Terry Hough, City Engineer  
J.R. Sabatelli, Finance Director  
Michael Stone, Chief Building Code Official