
REGIONAL TECHNOLOGY FEE

Synopsis of Comments from the Agency Meetings and Public Workshops

THE CHAMBER; JUNE 9, 2015

Representatives from the City of Reno, the City of Sparks, the Washoe County Health District, and Washoe County met with the Chamber to discuss the proposed Regional Technology Fee and to gather their member's feedback. There were approximately 10 Chamber members present. Matters raised during the meeting included:

- The inequity between charging 4% for a high-cost permit and the \$4 fee for a business license. A member suggested that there should be a maximum amount of fee charged for a permit.
- Questions about costs savings to the local jurisdictions with the new Regional License/Permit Platform.

THE ASSOCIATION OF GENERAL CONTRACTORS; JUNE 18, 2015

Representatives from the City of Reno, the City of Sparks, the Washoe County Health District, and Washoe County met with the AGC to discuss the proposed Regional Technology Fee and to gather their member's feedback. 14 AGC members attended the meeting. The AGC provided the attached letter after the meeting as comments on the proposed Regional Technology Fee. Matters raised during the meeting included:

- Preference for flat fees for all permits (not the 4% fee).
- Concern about the enterprise funds providing revenue to offset capital outlay costs which should be more properly collected from the general fund.
- Will the system provide e-mail notifications to permit applicants for any delays in coordinated inspection dates/times?
- Are there contractual limits with Accela which cap any increases to subscription fees after the 3rd or 5th or subsequent years?
- The inequity between charging 4% for a high-cost permit and the \$4 fee for a business license. A suggestion that there should be a maximum amount of fee charged for a permit.
- Will mobile/cell phone applications be available to use through the Accela platform?
- Discussion about some or all of the jurisdiction's setting aside the proposed 4% fee for building permits and either not increasing current building permit fees or reducing permit fees but retaining the 4% fee as a set aside (so the overall fee decrease is 4% less).

THE BUILDERS ASSOCIATION OF NORTHERN NEVADA; JUNE 23, 2015

Representatives from the City of Reno, the City of Sparks, the Washoe County Health District, and Washoe County met with BANN to discuss the proposed Regional Technology Fee and to gather their member's feedback. There was one BANN member present. Matters raised during the meeting included:

- Acknowledged the on-line service is exactly what the building industry has been asking for, but concern that builders would be paying for the bulk of the cost of the program with the 4% added on top of existing building permit fees.
 - Response: Explained the 4% was calculated based on permitting activities and the capital costs that need to be recovered. Recognizing each of the jurisdictions enterprise fund balances may result in fee adjustments, Washoe County and Sparks Building Officials identified the potential for the 4% to be taken from the existing fees resulting in no additional fee increase. BANN was supportive of the proposal and supports the Accela project.

PUBLIC WORKSHOP; JUNE 30, 2015 (NOON TO 1 P.M.)

Representatives from the City of Reno, the City of Sparks, the Washoe County Health District, and Washoe County hosted a public workshop to discuss the proposed Regional Technology Fee and to gather citizen feedback. 6 citizens attended this workshop. Matters raised during the workshop included:

- Will licenses and permits still be issued from individual jurisdictions?
 - Response: Yes, but you will be able to conduct business online for all three jurisdictions.
- Concerning licenses exempt from the proposed fee, will licenses for natural gas service be exempt?
 - Response: No. The proposed regional technology fee would be paid through business license renewal process for these type of licenses.
- How will you make up the gap between the first year costs and the first year's anticipated revenue?
 - Response: The proposed technology fee will remain in place until capital costs recouped, at which time the fee will be re-evaluated. The capital costs were one-time and paid in the first year, so subsequent year costs only include subscription costs.
- Can the proposed regional technology fee change per jurisdiction?
 - Explained that any variation in the fee amount by jurisdiction will ultimately be decided by each elected body.

PUBLIC WORKSHOP; JUNE 30, 2015 (5:30 P.M. TO 6:30 P.M.)

Representatives from the City of Reno, the City of Sparks, the Washoe County Health District, and Washoe County hosted a public workshop to discuss the proposed Regional Technology Fee and to gather citizen feedback. 7 citizens attended this workshop. Matters raised during the workshop included:

- If we had five 10 million dollar project permit fees, would it pay for the entire project?
 - Response: The proposed technology fee is based on the actual cost of the permit, not the valuation of the project. So, the answer is likely no.
- How do you know that subscription fees won't increase?
 - Response: The subscription cost per seat remains the same for the first five years of our contract. Then we will see a set percentage increase in cost per seat. Accela will reevaluate the number of seats after the first three years and the subscription costs will be adjusted accordingly.
- There is an initial fee for everyone, how will the fund be segregated?
 - Response: Each jurisdiction has set up dedicated accounts for the proposed regional technology fee which are "fenced off" except to repay capital costs, subscription costs, and technology needs associated with the Accela platform.
- Are you going to customize the program to meet each jurisdictions needs?
 - Response: Yes.
- When all costs are paid for will, the proposed regional technology fee go away?
 - Response: Maybe! Fees will be evaluated each year and may be used for future technology needs to support the Accela regional platform if the elected officials concur (at a potentially reduced fee rate).



Nevada Chapter

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Tuesday, June 30, 2015

Washoe County Department of Community Services
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P.O. Box 11130
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Thank you for the opportunity to provide comment on the proposed Regional Technology Fee. Our membership appreciated your group having taken the time to provide the presentation and answer questions. We were pleased to hear that a portion of the fees could be offset by a reduction in the cost of certain permits. We were also pleased to learn that the new system is expected to result in a streamlined licensing and permitting process region wide.

Please address the following concerns as you further develop the new system and fee structure.

- The industry is coming out of one of the worst recessions in recent memory. The economy is improving but the industry is still vulnerable. Additional fees can be very challenging. We recommend that a committee of stakeholders be formed to monitor the fees and serve in an advisory role similar to the Building Enterprise Fund Advisory Committees.
- Building permit fees for large projects carry significant costs and adding 4% to those costs could be very challenging for a contractor. Our members perform multimillion dollar projects. The building permit fee for a \$35 million project is approximately \$88,000. Adding 4% would increase that another \$3,500. This is in addition to the various other fees, some of which will also be subject to the 4% increase, and should be considered for exclusion. We recommend that you consider establishing a cap of \$500 to the amount that may be increased on any project to cover the costs of the new technology.
- The subscription agreement with Accella will be reevaluated in three years. We recommend locking in a rate to avoid any excessive increase after three years when the region renews/extends its subscription.
- One of the benefits of the new service is that all data will be stored in the cloud and that the data could easily be transferred to a new system in the future. The group needs to ensure it retains ownership of the data so that our investment is not lost if there is a split between Accella and the parties involved. An agreement on migration of the data in relation to contract expiration would be prudent.
- The Business License Fee module should be paid for from the General Fund, as monies from business license fees are currently deposited into the General Fund.

Once again we appreciate the opportunity to comment on the proposed fees. Please don't hesitate to contact me at 329-6116 if you have any questions.

Thank you,

Brian Reeder
Government Affairs Coordinator
Nevada Chapter Associated General Contractors
(775) 329-6116 *Building a Better Nevada*