

Title: Adopt the Business Impact Statement for the Regional License and Permit Platform with a finding of the proposed Regional Technology Fee does not impose a direct and significant economic burden on a business; nor does the proposed fee directly restrict the formation, operation, or expansion of a business; and set the public hearing for possible adoption of the proposed Regional Technology Fee for August 8, 2016.

Petitioner/Presenter: Neil C. Krutz, Assistant City Manager/Jessica Easler, Customer Service Manager

Recommendation: Staff recommends acceptance of the Business Impact Statement.

Financial Impact: The proposed regional technology fee is expected to raise \$34,420 annually for the General Revenue Fund. This projected revenue is based on the number of business licenses issued and renewed in FY15. The actual revenue collected may be more or less depending on the number of business licenses applications and renewals received.

Business Impact (Per NRS 237):
A Business Impact Statement is attached.

Agenda Item Brief:

Adoption of the Business Impact Statement for the Regional License and Permit Platform with a finding that the proposed Regional Technology Fee does not have a significant business impact. Set the public hearing for possible adoption of the proposed Regional Technology Fee for August 8, 2016.

Background:

On June 23, 2014, Council approved the Interlocal Cooperative Agreement establishing the Regional Business License and Permits program for the City of Sparks, the City of Reno, Washoe County and Washoe County Health District in an amount not to exceed \$448,542.52 for the initial system investment, including a 5.5% funding for project changes, authorized the initial annual operational licensing fee of \$37,030.87, and direction to staff to return prior to the go-live date with a regional technology fee to recover portions of the project cost.

On February 22, 2016, Council approved a change order to extend the contract with Accela through the new go-live date of August 22, 2016.

The new regional license and permit platform will replace the current programs. The key advantages of the new system allows customers to apply, renew, and pay on-line for licenses and/or permits. Customers will still be able to submit license and/or permit applications in person at a jurisdiction; however, the on-line capacity should provide substantial time and cost savings for our customers. Customers will also have the ability to track the status of their applications on-line and submit electronic documents associated their application.

Analysis:

The proposed regional technology fee is to aid in the recovery of the capital outlay costs for the platform. The capital outlay costs include one-time project implementation costs and a 5.5% project contingency component. Additionally, the proposed regional technology fee is to recover the required annual subscription costs. The subscription costs commenced on the date the contract was signed with Accela (June 17, 2014). Lastly, the proposed regional technology fee is to provide funds for future technology needs associated with the platform.

The Interlocal Cooperative Agreement includes a provision related to the regional technology fee (entities refer to the City of Sparks, the City of Reno, the Washoe County Health District,

and Washoe County):

Section 12.2 A "regional technology fee" may be imposed by the initial ENTITIES upon their customers utilizing the PLATFORM for a minimum of one year, commencing upon go live of the PLATFORM. The "regional technology fee" shall be consistent among the ENTITIES and shall include the following: business permits – 4%; annual business license - \$4; quarterly business license - \$2.

The proposed regional technology fee for the City of Sparks is as follows:

1. For all business licenses at time of license application and for each license renewal:
 - a. \$4 for annual licenses; and,
 - b. \$2 for quarterly licenses (collected each calendar quarter).
2. 0% of the total permit cost for all other permits, to include permit renewal.
 - a. Includes building, engineering, planning, and utility permits.
 - b. Certain agency fees will not be totaled as part of the total permit cost.
 - c. Minimum regional technology fee is \$1, and the fee will be rounded to the nearest dollar.

The anticipated revenue collected from the regional technology fee for the City of Sparks General Revenue fund is as follows:

	Number of Business License in FY15	Proposed Technology Fee	Anticipated Annual Revenue
Annual	7887	\$4 annually	\$31,548
Quarterly	359	\$2 per quarter/\$8 annually	\$ 2,872
TOTAL	8246		\$34,420

The capital outlay for the City of Sparks is \$411,512 and the annual subscription cost is \$37,031. The General Fund was allocated 39% and the Business Enterprise Fund was allocated 61% of the cost. The proposed regional technology fee anticipated revenue may recover the costs of the General Fund capital outlay and annual subscription fees in the 10th year or 2025.

The Business Enterprise Fund was able to absorb its allocation of the capital outlay and annual subscription fee. Staff recommends 0% technology fee for permits at this time.

Specific types of licenses will be exempted when calculating the regional technology fee. The Customer Service division will determine the exempted licenses and exempted permit fees. Some examples include:

- Gaming license fees as these fees are established and controlled through NRS.
- Electric energy service license fees and telecommunication services license fees as these fees are authorized and established within NRS.

Based on input from trade associations and businesses, staff recommends that the proposed regional technology fee take effect when the platform is launched for use by citizens on August 22, 2016. The trade associations were specific in requesting that the fee be charged when citizens have the ability to apply for licenses and permits on-line.

NRS 237.100 requires the City to provide a procedure for an aggrieved business to object to a rule adopted pursuant to NRS 237.030 through 237.100 inclusive. This is the requirement for adoption of a business impact statement. Any business such aggrieved must file a petition with the Board within 30 days of the date the rule to adopt the regional technology fee. This

means that any petition must be filed before August 10, 2016. Staff recommends that any petition be in writing and filed with the County Clerk as required by NRS 237.100(4). The Board is required to determine the merits of any petition if so filed, and may amend the fee based on the petition.

Alternatives:

The City Council may choose to not accept the Business Impact Statement and provide further direction to staff.

Recommended Motion:

I move to accept the Business Impact Statement and find the Business Impact Statement was properly prepared and the adoption of the Regional Technology Fee does not impose a direct and significant economic burden upon a business nor directly restrict the formation, operation, or expansion of a business.



June 2016

Regional License and Permit Platform **Business Impact Statement**

INTRODUCTION

The following Business Impact Statement (BIS) was prepared pursuant to Nevada Revised Statutes (NRS) section 237.080 to address the potential impact of a proposed regional technology fee. This proposed fee classifies as a rule as defined in NRS 237.060 and, therefore, is subject to the provisions of NRS 237.030 to 237.150, inclusive.

The City of Sparks, the City of Reno, the Washoe County Health District, and Washoe County partnered to purchase a regional license and permit platform known as the Accela Civic Platform. These four Regional Partners will consider a regional technology fee to help recover the capital outlay implementation costs and the annual subscription fees of the new regional license and permit platform.

The City of Reno included the regional technology fee as part of their FY 2015-2016 budget process and adoption of that budget. Pursuant to NRS 237.060(b), the annual budget process and adoption does not qualify as a rule and, therefore, no Business Impact Statement was required by the City of Reno for the regional technology fee. Consequently, the City of Reno did not notify any businesses or trade associations of the proposed regional technology fee. The Reno City Council will review this Business Impact Statement during an update on the status of the regional license/permit platform to acquaint Council members with its content.

This Business Impact Statement was prepared in partnership with the City of Sparks, the City of Reno, and the Washoe County Health District in August and September of 2015, and was updated in June of 2016. The Business Impact Statement was initially scheduled for review by the Sparks City Council in 2015 but was rescheduled to July 11, 2016 in order for the Council to consider adopting a regional technology fee at a date closer to the planned implementation date for the regional license and permit program of August 22, 2016.

The Washoe County District Board of Health adopted this Business Impact Statement on October 22, 2015 and subsequently adopted the regional technology fee on November 19, 2015.

BUSINESS IMPACT STATEMENT

- A. *The following constitutes a description of the manner in which comment was solicited from affected businesses, a summary of their response, and an explanation of the manner in which other interested persons may obtain a copy of the summary (List all trade associations or owners and officers of businesses likely to be affected by the proposed rule that have been consulted).*

Current business licensees from the City of Sparks and Washoe County, and the various trade associations listed below, were notified by U.S. postal mail of the proposed regional technology fee on June 1, 2015. Current permit holders from the Washoe County Health District must possess a valid jurisdictional business license, so those permit holders were included in the mailing to business licensees. The City of Sparks mailed 1,875 notices and e-mailed 4,232 notices, and Washoe County mailed 5,732 notices. Together, the two jurisdictions notified 11,839 businesses and trade associations of the proposed regional technology fee.

Trade associations mailed a notice:

- American Business Women's Association
- Builders Association of Northern Nevada (*agency meeting held*)
- Economic Development Authority of Western Nevada
- Incline Village General Improvement District
- National Federation of Independent Business
- Nevada Business Connections
- Nevada Chapter AGC (*agency meeting held*)
- Nevada Microenterprise Initiative
- Nevada Motor Transport Association
- Nevada Small Business Development Center
- Nevada Taxpayers Association
- North Lake Tahoe Chamber of Commerce
- Northern Nevada NAIOP
- NPM & CSA
- Reno-Sparks Chamber of Commerce, The Chamber (*agency meeting held*)
- Retail Association of Nevada

The post card notice mailed on June 1, 2015 included a web site link to a *Potential Impact to a Business* (see Attachment A) for the regional technology fee, and included contact information for each Regional Partner for questions and comments. The notice requested that written comments, arguments or data on the proposed regional technology fee be submitted no later than June 30, 2015. The notice also advertised two public workshops, held on June 30, 2015 at noon and again at 5:30 p.m. The public workshops were also advertised in the *Reno Gazette-Journal* as a legal advertisement on June 17 and 19, 2015. The public workshops were hosted by the regional technology fee working group for the public to discuss the

potential impacts of the proposed regional technology fee on a business. Attendees were encouraged to ask questions, and were solicited to submit comments, arguments or data on any potential impacts.

Comments received during meetings with certain agencies (marked on the list above as *agency meeting held*) and during the public workshops are included as Attachment B. In response to the notice, the regional technology fee working group received three letters and 15 e-mails from citizens. Of those responses, one letter addressed consolidation (a topic not a part of the proposed regional technology fee) and four e-mails asked clarifying questions or addressed topics such as filing complaints and royalty fees (both topics not part of the proposed regional technology fee). The remaining two letters and 11 e-mails were opposed to any fee increases. This response rate for responses pertinent to the proposed regional technology fee equates to .00109 of the 11,839 notices provided. All letters and e-mails are available upon request for review. Contact information for each Regional Partner is included at the end of this Business Impact Statement.

Comments, responses, arguments and data received during the comment period and during the two public workshops in 2015 were incorporated into this Business Impact Statement (BIS). NRS 237.080 and related sections contain no time requirements between the time frame that comments are solicited and received on a BIS, and subsequent action to approve the BIS and/or adopt a fee. Less than a year has passed since the solicitation and receipt of comments for this BIS, so it reasonable to presume that an additional new solicitation/comment period would not provide any more information that has already been received. The trade associations listed on the previous page were notified by postal mail on June 29, 2016 of the July 11, 2016 hearing to approve this BIS (see Attachment C).

Interested persons may obtain a copy of this BIS at the following location:

City of Sparks

Customer Service
431 Prater Way, Sparks

- B. The following constitutes a description of the estimated economic effect of the proposed rule on the businesses which the rule is to regulate, including, without limitation, both adverse and beneficial effects, and both direct and indirect effects.*

Specific to the City of Sparks, the proposed regional technology fee is \$4 for an annual business license (to include renewals), \$2 per quarter for a quarterly license (to include renewals), and 0% of the total permit cost for all other permits (to include permit renewal). Permits include building, engineering, planning, and utility permits. Certain agency fees will not be totaled as part of the total permit cost.

Gaming, electric energy service, and telecommunication service business licenses will be exempted from the regional technology fee.

The proposed regional technology fee will commence once the new regional license and permit platform is available for the public to use (i.e., the platform’s “go live” date) on August 22, 2016.

Adverse effects: Business owners will pay the regional technology fee in addition to the current or future license or permit fee. The fee will be \$4 annually for annual business license customers and \$8 annually for quarterly license customers. The regional technology fee is non-refundable in the event that a license, or portion thereof, is refunded, cancelled, or voided.

Beneficial effects: For the first time, the Regional Partner’s customers will benefit from on-line license and permit services with the new Accela Civic Platform. The new platform will provide on-line citizen access for applying for a license or permit; tracking the status of a license or permit application; paying for a license or permit; and, renewing licenses or permits.

The new license and permit platform replaces several outdated platforms for all four Regional Partners with one single regional platform. The new platform includes a robust and improved permit and license software application, regional data sharing, and customer focused applications. Customers will still be able to apply in person for a license or permit at a City, District or County office. The new regional license and permit platform will enable all Regional Partners to share common customer information to facilitate the processing of a license or permit application, and to minimize repetitive entering of the same information by our customers.

Direct effects: Any new or renewed business license will be required to pay the regional technology fee. Revenue realized from the regional technology fee will allow funds expended by each of the Regional Partners for the platform’s capital outlay implementation costs to be applied to other identified jurisdictional requirements.

Indirect effects: There are no indirect effects from the proposed regional technology fee.

- C. *The following constitutes a description of the methods that the City of Sparks, the City of Reno, the Washoe County Health District and Washoe County considered to reduce the impact of the proposed rule on businesses and a statement regarding whether any of these methods were used (Include whether the following was considered: simplifying the proposed rule; establishing different standards of compliance for a business; and, if applicable, modifying a fee or fine set forth in the rule so that a business could pay a lower fee or fine).*

The Regional Partners agreed upon flat fees for business license to reflect that the business processes for any license transaction in the new regional license and permits platform will be roughly the same regardless of the type of license. However, the business processes for all

other permits varies widely and involves varying levels of participation in the review of permits by one or more agencies. These permits also potentially involve field inspections by agency staff, corrections of submitted permits by an applicant, and resubmittals of those permits for further review. Therefore, the Regional Partners settled upon a percentage fee for all other permits, reflecting that more complex and time intensive permits require more business processes in the platform.

The Regional Partners have agreed in concept to consider collecting the regional technology fee for at least one year, though one or more of the Partners could collect the fee for a longer time frame up to five years. One or more of the Partners could also elect to not collect the regional technology fee for some or all of its licenses and permits. It is possible that a Regional Partner may recover its capital outlay implementation costs prior to the end of the five year period. One or more of the Regional Partners may decide at a future date to reduce or remove the regional technology fee once its capital outlay implementation costs are recovered.

Additionally, one or more of the Regional Partners may decide to continue to collect a regional technology fee after the capital outlay implementation costs are recovered to help offset on-going annual subscription fees and future technology costs associated with the platform. Each Regional Partner is responsible for a pro-rated share of the annual subscription fees paid to the platform's vendor to maintain the platform's database in "the cloud". Future technology costs would provide funds for upgrades and technology improvements associated with the platform.

D. The City of Sparks, the City of Reno, the Washoe County Health District and Washoe County estimates that the annual cost for enforcement of the proposed rule is:

There is no cost for enforcement of the regional technology fee by the City of Sparks, the City of Reno, the Washoe County Health District or Washoe County. The regional technology fee will be added as appropriate to the license or permit cost, and will be paid by the customer prior to issuance of the license or permit. Failure to pay all or part of the license or permit fee, to include the regional technology fee, will cause the Regional Partner to not issue or renew the license or permit.

E. The proposed rule provides for a new fee, and the total annual amount of revenue the City of Sparks, the City of Reno, the Washoe County Health District and Washoe County each expect to collect from the new fee is as follows:

The total estimated annual amount of revenue from the proposed regional technology fee is as follows for each of the four Regional Partners:

- 1. City of Sparks: \$ 34,420
- 2. City of Reno: \$ 385,249

- 3. Washoe County Health District: \$ 76,952
- 4. Washoe County: \$ 153,805

F. *The money generated by the new fee will be used by the City of Sparks, the City of Reno, the Washoe County Health District and Washoe County to:*

The money generated from the regional technology fee will recover capital outlay implementation costs of the new regional license and permit platform and offset on-going annual subscription fees associated with the platform. The on-going annual subscription fees are paid to the platform’s vendor to maintain the platform’s database in a cloud environment.

The total first year’s costs for the new regional license and permit platform is \$ 1,667,444 (\$ 1,385,479 for capital outlay implementation costs and \$ 281,965 for the annual subscription fees). Each Regional Partner’s share of the first year’s cost is:

Regional Partner	Capital Outlay Costs	Annual Subscription Fees	Total First Year’s Cost
City of Sparks	\$411,512	\$37,031	\$448,543
City of Reno	\$ 359,780	\$ 115,441	\$ 475,221
Washoe County Health District	\$ 275,463	\$ 58,081	\$ 333,544
Washoe County	\$ 338,724	\$ 71,412	\$ 410,136

G. *The proposed rule does not duplicate, nor is it more stringent, than federal, state or local standards regulating the same activity; therefore, no duplicative or more stringent provisions are necessary.*

The proposed regional technology fee does not duplicate, nor is it more stringent, than federal, state or local standards regulating the business licenses or permits issued by the Regional Partners.

H. *The following constitutes an explanation of the reasons for the conclusions regarding the impact of the proposed rule on businesses:*

One principal goal of the new Accela Civic Platform is to allow each Regional Partner’s customers to use the on-line functions of the platform to conduct business if the customer desires. The potential savings to the customer in terms of time and resources by conducting license and permit business on-line should help recoup the cost of the regional technology fee to the customer. For those customers who prefer to conduct their business in person at a Regional Partner’s offices, the new license and permit platform will enable sharing of the customer’s information electronically with the other Partners and with agencies reviewing the license or permit application. This electronic capability provides a greatly enhanced service for the customer, resulting in efficiencies and effectiveness not possible with the current paper review of license or permit applications. The benefits of the enhanced services are

immediately available to the customer once the new regional license and permit platform is launched, and the regional technology fee provides a method for the customer to help defray the Regional Partner's Capital outlay and annual subscription costs associated with the new license and permit platform.

After reviewing the comments, arguments and data provided by trade associations and business owners, there is no significant economic burden imposed on a business by the regional technology fee. Likewise, the regional technology fee will not restrict the formation, operation or expansion of a business.

I. Contact information for each of the Regional Partners

City of Sparks	Jessica Easler, Customer Service Manager jeasler@cityofsparks.us (775) 353-5555
City of Reno	Michael Chaump, Business Relations Manager chaupm@reno.gov (775) 334-2090
Health District	Bob Sack, Environmental Health Division Director bsack@washoecounty.us (775) 382-2644
Washoe County	Bob Webb, Planning Manager bwebb@washoecounty.us (775) 328-3623

CERTIFICATION

I certify that, to the best of my knowledge or belief, the information contained in this Business Impact Statement was prepared properly and is accurate.

Stephen W. Driscoll, City Manager

Date

END OF BUSINESS IMPACT STATEMENT

Regional License & Permit Platform



May 2015

REGIONAL TECHNOLOGY FEE **Potential Impacts to a Business**

GREETINGS BUSINESS OWNER, LICENSE/PERMIT CUSTOMER, OR TRADE ASSOCIATION MEMBER:

The City of Reno, the City of Sparks, the Washoe County Health District, and Washoe County partnered to purchase a regional license and permit platform known as the Accela Civic Platform. The platform replaces several outdated license/permit platforms in the four jurisdictions with one single regional platform. The new Accela Civic Platform includes a robust and improved permit and license software application, regional data sharing, and customer focused applications. The regional license and permit platform will provide on-line citizen access for:

- Applying for a license or permit;
- Tracking the status of a license or permit application;
- Paying for a license or permit; and,
- Renewing licenses or permits.

Customers will still be able to apply in person for a license or permit at a City, District or County office. The new regional license and permit platform will enable all four Regional Partners to share common customer information to facilitate the processing of a license or permit application, and to minimize repetitive entering of the same information by our customers.

The Reno City Council, Sparks City Council, District Board of Health, and Board of County Commissioners may consider a regional technology fee to help recover the capital outlay costs of the new Accela Civic Platform. One or more of the elected bodies may also consider using the regional technology fee to offset on-going technology costs associated with the platform. This document explains the potential impacts of any regional technology fee to businesses in our region.

In accordance with State Law, the Regional Partners must notify business owners, license/permit customers, and/or trade association members likely to be affected by the adoption of the proposed regional technology fee. You are encouraged to provide any comments, arguments or data to the Regional Partners if you believe the adoption of the proposed regional technology fee will:

1. Impose a direct and significant economic burden upon a business; or,
2. Directly restrict the formation, operation, or expansion of a business.

Any comments, arguments or data should focus on the potential impacts of the proposed regional technology fee on a business. This information will be included within the business impact

Regional License & Permit Platform



statement to be considered by the elected officials prior to any action to approve a regional technology fee.

Written comments, arguments or data must be submitted no later than June 30, 2015, to:

Postal mail:

Washoe County Department of Community Services
Planning & Development Division
Attn: Business License
P.O. Box 11130
Reno, Nevada 89520-0027

e-mail: BusinessLicense@washoecounty.us

Physical address: Washoe County Administrative Complex, Building A Second floor
(west end), 1001 East Ninth Street, Reno

Fax: (775) 328-6133

The Regional Partners will host two public workshops to discuss the potential impacts of the proposed regional technology fee on a business. You are invited to attend these workshops to ask questions of staff, and/or to provide your comments, arguments or data on the potential impacts of the proposed regional technology fee on a business.

Date of public workshops: June 30, 2015

Time of public workshops: Noon until 1:00 p.m.
5:30 p.m. until 6:30 p.m.

Location of public workshops: Mt Rose Conference Room
Washoe County Administrative Complex
Building A Second floor (west end)
1001 East Ninth Street, Reno

Regional License & Permit Platform



PROPOSED REGIONAL TECHNOLOGY FEE

Any technology fees considered by the Regional Partners would be based on three types of fee structures:

1. For all business licenses at time of license application and for each license renewal:
 - a. \$ 4 for annual licenses; and,
 - b. \$ 2 for quarterly licenses (collected each calendar quarter).
2. 4% of the total permit cost for all other permits, to include permit renewal.
 - a. Includes air quality, building, engineering, environmental health, planning, and utility permits.
 - b. Certain agency fees will not be totaled as part of the total permit cost.
 - c. Minimum regional technology fee is \$ 1, and the fee will be rounded to the nearest dollar.
3. No fee for exempted licenses or permits. Exempted licenses or permits include:
 - a. New (first year of operation) business licenses (**City of Reno only**).
 - b. Changes to existing business licenses (**City of Reno only**).
 - c. Gaming licenses.
 - d. Electric energy service and telecommunication service licenses.
 - e. Federal Title V/PSD permits (**Washoe County Air Quality Management**).

The proposed regional technology fee would commence once the new regional license and permit platform is available for the public to use (i.e., the platform's "go live" date). It is anticipated that the "go live" date will occur between December 2015 and February 2016.

The regional technology fee is non-refundable in the event that a license or permit, or portion thereof, is refunded, cancelled, or voided.

The regional technology fee is calculated to recover the capital outlay implementation costs, future technology needs, and the annual subscription fees of the new regional license and permit platform over a five year period. The fee calculations were based on the number of issued and renewed business licenses, and the revenue from all other permits based on a seven year average. The Regional Partners (City of Reno, City of Sparks, Washoe County Health District, and Washoe County) have agreed, in concept, to consider collecting the regional technology fee for at least one year, though one or more of the Partners could collect the fee for the full five years. Revenue collected from the regional technology fee will not exceed the total capital outlay costs and the annual subscription fees for the first five years for each Regional Partner. It is possible that a Regional Partner may recover its capital outlay costs prior to the end of the five year period.

Regional License & Permit Platform



Additionally, one or more of the Regional Partners may decide to continue to collect a regional technology fee, potentially at a reduced rate, after the capital outlay costs and the annual subscription fees for the first five years are recovered to help offset on-going technology costs associated with the platform. These on-going technology costs include the annual subscription fees to the platform's vendor to maintain the platform's database in a cloud environment, and funds to provide for future upgrades and technology improvements associated with the platform.

The total first year's costs for the new regional license and permit platform is \$ 1,667,444 (\$ 1,385,479 for capital outlay costs and \$ 281,965 for the annual subscription fees). It is important to note that each Regional Partner will incur the subscription fees on an annual basis. Each Regional Partner's share of the first year's cost is:

Regional Partner	Capital Outlay Costs	Annual Subscription Fees	Total First Year's Cost
City of Reno	\$ 359,780	\$ 115,441	\$ 475,221
City of Sparks	\$ 411,512	\$ 37,031	\$ 448,543
Washoe County Health District	\$ 275,463	\$ 58,081	\$ 333,544
Washoe County	\$ 338,724	\$ 71,412	\$ 410,136

The total estimated annual amount of revenue from the proposed regional technology fee is as follows for each of the four Regional Partners:

- City of Reno: \$ 385,249
- City of Sparks: \$ 34,420
- Health District: \$ 76,952
- Washoe County: \$ 160,794

As indicated above, the costs and revenues will be monitored on a regular basis to determine the term of collecting the regional technology fee.

This document is available through the Washoe County website at www.washoecounty.us/techfee.

Questions on the proposed regional technology fee may be directed to:

- City of Sparks: Jessica Easler, Customer Service Manager
jeasler@cityofsparks.us
(775) 353-5555
- City of Reno: Michael Chaump, Business Relations Manager
chaupm@reno.gov
(775) 334-2090
- Health District: Bob Sack, Environmental Health Division Director
bsack@washoecounty.us

Regional License & Permit Platform



WASHOE COUNTY
HEALTH DISTRICT
ENHANCING QUALITY OF LIFE

Washoe County

(775) 382-2644

Bob Webb, Planning Manager

bwebb@washoecounty.us

(775) 328-3623

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
Planning & Development Division
Attn: Business License
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
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(775) 329-6116 *Building a Better Nevada*