

MEMORANDUM

To: Mayor and City Council Members

From: Steve Parker
City Manager

Subject: Fee Waiver Policy

Date: Update April 5, 2022

The City of Seguin currently only waives permit fees for downtown business owners and for Habitat for Humanity. Habitat is currently capped at four homes per year and downtown businesses are excluded from paying permit fees in hopes of stimulating downtown development in our community. Recently we have had a request by a local non-profit to waive permit fees for their new building which will be located in Seguin. The City currently doesn't have a policy that allows City staff to waive these permit fees. Every request has to be brought to City Council on a case-by-case basis. Staff would like some direction as to whether the City Council would like to consider these on an individual basis or if they would like to create an overall policy related to fee waivers. This policy could choose to waive fees all together or perhaps a percent reduction such as 25% or 50%.

Staff wants City Council to be aware that it does take sufficient staff time to review building plans and to do on-site inspections for all these facilities. Our fees are established to hopefully recoup the majority of the time it takes to review and inspect each development but not to make a profit. It could also lead to requests from other tax-exempt entities such as the local school districts, the county, and possibly religious organizations. I did conduct a survey to see if any other communities had a policy regarding non-profit fee waivers and the only thing we found was related to Habitat for Humanity. This doesn't mean that the City of Seguin couldn't choose to waive or reduce those fees. Survey participants are listed below:

CITY MANAGER'S OFFICE

| City | Fee Policy |
|-----------------|------------------------------------------------------------------|
| New Braunfels | No policy but have waived for Habitat |
| College Station | No policy but have waived on an individual basis on occasion |
| Buda | No Policy |
| Kyle | No Policy |
| Cibolo | No Policy |
| Georgetown | Only for HabitatColle |
| Hutto | No policy but have discussed and may happen this budget year |
| Round Rock | No Policy |
| Temple | Infill Incentive Program for profit and non-profit organizations |
| Cedar Park | No Policy |

Update:

As a point of reference related to fee waivers in the past. The Children's Advocacy Center building permit fees were waived. My understanding this was done because the Sheriff's office and the Police Department directly use this Center for direct/indirect services.

The Building Permit & Review Fees waived for Children's Advocacy Center were approx. \$12,500 for the permits and approx. \$500 for Site Plan review. (building size was 9,125 sq ft and fees were calculated based on an older fee structure.) That waiver was approved by Council in 2015.

The size of the South TX Pregnancy Center is under 6,000 sq ft based on info they provided at the last development meeting. A good estimate for the building permit fees (including sub-permits & plan review) is \$6,000 . The Site Plan review would be \$500.

This does not include utility tap fees or impact fees as this has not been done except for Habitat for Humanity.